DOCUMENT RESUME

ED 280 902 UD 025 396

AUTHOR	De Simone, Peter, Ed.; Kunz, Julia, Ed.
TITLE	Welfare Reform in Missouri. A Report of the Welfare Reform Committee.
INSTITUTION	Missouri Association for Social Welfare.
PUB DATE	87
NOTE	85p.
AVAILABLE FROM	Missouri Association for Social Welfare, 412 Jefferson, Jefferson City, MO 65101 ($3.00 contribution).
PUB TYPE	Reports - Evaluative/Feasibility (142)
EDRS PRICE	MF01/PC04 Plus Postage.
DESCRIPTORS	Employment Opportunities; Family Income; Federal Programs; Federal State Relationship; Living Standards; *Poverty; *Poverty Programs; *State Aid; State Programs; *Welfare Services
IDENTIFIERS	Aid to Families with Dependent Children; *Missouri; Reform Efforts

ABSTRACT

This report outlines findings and recommendations of a committee study of whether the State of Missouri is in need of welfare reform. The major finding is that Missouri's current welfare system is substantially deficient and requires correction of laws, policies, practices, and resource allocation. Three major themes are the following: (1) welfare programs must be nonpunitive in design and implementation; (2) they must provide incentives, not punishments, for work; and (3) they must be sufficient to provide essential health and welfare services to families and individuals. The report is divided into three main parts. Part 1 contains an executive summary and presents major recommendations, including expansion of the "safety net" and work opportunities for the poor. Part 2 presents a general overview/review of the Missouri welfare system, and State and national trends in poverty and welfare. It describes a growing poverty rate and focuses on the effectiveness of programs such as Aid to Families with Dependent Children, Medicaid, Emergency Assistance, food stamps, commodities programs, the Work Incentive Program, and the Job Training Partnership Act. Part 3 includes six papers by members of the Welfare Reform Committee, three of which relate personal experiences of welfare mothers. (KH)

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Welfare Reform In Missouri

At What Cost To Missouri's Future?

UD025396

A Report of the Welfare Reform Committee Missouri Association for Social Welfare

1987

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ACKNOWLEDGEMENTS

Our deep appreciation is extended to the members of the Committee and to others who shared their time, experience and expertise to make this report a reality. Any errors or opinions contained in the report are the responsibility of the Missouri Association for Social Welfare and the authors. Our special thanks to all who labored and dreamed about what welfare might become in Missouri.

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* * *

We thank the following state agencies and personnel for their cooperation in providing us the information we requested:

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A special thank you to those who provided photographs and graphics:

Adrienne Rosen — Photos of paintings

Citizens for Missouri's Children, **The Children's chronicle** (October 1985) — Children's cover drawings

Massachusetts Department of Public Welfare, Publications and Outreach Unit, Hakim Requib, Robert V. Eckert, Jr. and E.J. Holmes — Photos

National Coalition for the Homeless, **Safety Network**, Annie Q and Deborah Mashibini — Illustrations

Ross Snodgrass — Illustrations

U.S. Department of Health and Human Services — Photos

Welfare Reform In Missouri

A Report of The Welfare Reform Committee Missouri Association for Social Welfare

- 1987 -

Adrienne Rosen

With Contributions from:

Campaign for Human Development, Social Concerns Office
Diocese of Springfield-Cape Girardeau

Episcopal Diocese of Missouri, Hunger Task Force

Missouri Association for Social Welfare

For copies of the report, contact MASW, 412 Jefferson, Jefferson City, MO 65101. Tel. 314-634-2901. Contributions of $3.00 for postage and printing are appreciated but not essential for those individuals and groups needing use of the report, but on limited budgets.

"I don't want your millions, Mister,
I don't want your diamond ring,
All I want is the right to live, Mister,
Give me back my job again."

Folksongs of North America

WELFARE REFORM IN MISSOURI

CLARIFICATIONS AND ERRORS

P. 3, Lines 5-13, should read: "Currently in Missouri, Medicaid coverage extends for 4 months after employment. It can extend for 9 months but for some reason, either complexity of rules, or client or casework misunderstanding, the nine month extension is rarely utilized. The State could have exercized the option of extending coverage for fifteen months for all working welfare families, etc."

P. 18, Line 18, should read: "The Children's Defense Fund has estimated that 55% of poor children in Missouri do not receive benefits."

P. 23, Under COMMODITIES, last line, "About 400,000", not "Over 40,000".

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Edited by Peter De Simone & Julia Kunz

WELFARE REFORM IN MISSOURI — INTRODUCTION

In February 1986 in his State of the Union address President Reagan announced a yearlong study of welfare reform. He said, "We must now escape the spider's web of dependency — I'm talking about real and lasting emancipation because the success of welfare should be judged by how many of its recipients become independent of welfare." By the President's own standard the welfare program must be regarded as a significant success because most people do in fact use welfare as a temporary respite in hard times, and for the vast majority it is not a "web of dependency."

But, a small minority of welfare clients do remain on welfare for extended periods. This dependency is caused by economic hard times, poor educational background and job skills, lack of jobs or access to jobs, young children in the home and inability to afford day care, mental or physical illness, low self esteem and a sense of hopelessness, racial and sexual discrimination, lack of transportation or ability to afford it — and yes, welfare laws, policies, practices, and inadequacies that trap people into dependency and contribute to all of the above.

The complexity of causes that lead to dependency show how difficult true welfare reform will be. A temptation that must be avoided is to entertain simple solutions in isolation — like the currently fashionable "workfare" concept — or undifferentiated mass solutions that do not take into account that each welfare client is an individual whose problems and ways out of welfare are quite unique.

Viewing the President's concern over welfare as an opportunity for informed public debate, MASW's Board of Directors created a Committee on Welfare Reform to review the situation in Missouri; consider the issue based on our long experience with welfare clients, systems, and agencies in Missouri; and issue a report detailing our findings and recommendations.

The committee consists of representatives of service and advocacy agencies, clients of welfare services, human services professionals, academics, and individuals with special knowledge and interest in the welfare system.

The report is based on "source papers" contributed by committee members; current literature, articles, government reports and statistics; and the deliberations of the committee. It contains 19 recommendations for change in the general areas of encouraging work, mending the safety net, and protecting the dignity and rights of clients.

Our intentions with this report are to contribute constructively to the ensuring public debate on welfare and to insure that Missouri's experience with the system is included.

Betty Marver
Chairperson
Committee on Welfare Reform

Adrienne Rosen

WELFARE REFORM — EXECUTIVE SUMMARY

For purposes of this report welfare reform is the correction of laws, policies, and practices of state and federal government welfare programs which,

- discourage independence from welfare and hinder the ability to gain and keep work,
- prevent government from adjusting welfare programs to deteriorating economic conditions,
- fail to treat clients as individuals with special and distinct problems,
- obstruct access to the programs by those most in need but least capable of comprehending or adhering to complex bureaucratic policies,
- humiliate, invade privacy, and treat rudely those who need and are entitled to essential survival services of government.
- cause hunger, homelessness and destitution through bureaucratic delays, inadequate benefits, and rationing of essential services.
- fail to serve some destitute populations at all.
- discourage two-parent and extended family relationships.
- force the removal of children from destitute families and into foster homes.

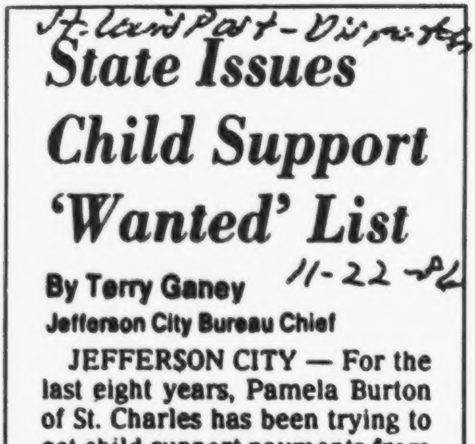
The Committee on Welfare Reform defined the following study question: Does the welfare system provide an adequate, timely, responsive, and work enhancing safety net for Missouri's poorest residents? The answer is "yes" and "no" in some programs and "too little, too late" in others. The Committee finds that by the standards defined above, Missouri's welfare system is substantially deficient and requires correction of laws, policies, practices, and resource allocation.

A substantial cause of the problem lies with federal law and policy, but Missouri state government inflicts its own deficits on the welfare program. Even within the context of undesireable federal policies, the state has not tapped or has rejected opportunities to improve welfare in Missouri. It has even attempted to eliminate the only welfare program for intact families, AFDC-UP (Aid to Families with Dependent Children - Unemployed Parent), and has rejected optional programs in AFDC and Medicaid which would have brought more federal subsidy into the state and relieved somewhat the poverty crises that many Missouri households face.

One area where state government deserves credit is in developing a strong child support enforcement (CSE) program. This program forces delinquent fathers to accept financial responsibility for their children. This accomplishment is somewhat tarnished because Missouri beefed up CSE only by shifting staff resources away from public assistance administration, thus improving one valuable service only at the expense of another.

Since the public commonly views welfare reform to mean a return to work and independence, the issue of how current welfare policies or deficits interfere with employment and independence is of major interest.

However, there is considerable public conflict and some hypocrisy toward the poor on this matter. We hear voices praising the virtues of caring for one's own children in the home, housewifery as a noble endeavor, and volunteerism as an economic and social benefit to the



St. Louis Post-Dispatch

State Issues Child Support 'Wanted' List

By Terry Ganey 11-22-82
Jefferson City Bureau Chief

JEFFERSON CITY — For the last eight years, Pamela Burton of St. Charles has been trying to get child-support payments from her former husband, the father

community. These are activities which the poor commonly perform, often against great odds. But society wants "them" to "work", meaning hold jobs in the marketplace rather than work at home or in the community.

Studies and experience show that **most welfare recipients want to work**; 30% to 50% already do work but earn insufficient wages to keep them off of welfare; only 25% have never experienced work.

If welfare clients are to work there must be more jobs in Missouri than are presently available. Presuming the job readiness of one-third of the AFDC caseload **Missouri would need 22,000 more jobs.** Such an increase requires either a substantial improvement in the economy or a substantially increased public service employment program.

Jobs Are The Key To The Welfare Mess

St Louis P.D.
3/1/86

WASHINGTON

I wish President Reagan could get it clear that welfare and the War on Poverty are two different things. His confusion on this point marred

Most Missouri welfare clients find work themselves with little help from government. The average stay on welfare for a single parent family in Missouri is 17 months; for two parent families it is six months. This shows that **for most people welfare is a short term respite in hard times and not the intergenerational and long term dependency that is commonly perceived in public mythology.** The average stay on welfare is not unreasonably longer than the average stay on unemployment insurance (17 months vs. 3 months), when considering that the benefits are also much less ($84/month/person vs. $400+/person/month on UI).

A common flaw in welfare-to-work programs is the placement of people who are already job ready and very likely to find their own jobs without the program. Therefore, any work incentive reforms should be focused on longer term welfare clients.

The major obstacles for those who want to work are lack of child care, transportation, and work expenses; loss of Medicaid health benefits; lack of real job opportunities — and welfare policies that discourage independence. A few of these deserve mention.

Job programs without child care keep moms on welfare payrolls

News & Tribune 1/12/86

WASHINGTON (AP) — Job programs for welfare mothers that

Regulations governing the Aid to Families with Dependent Children

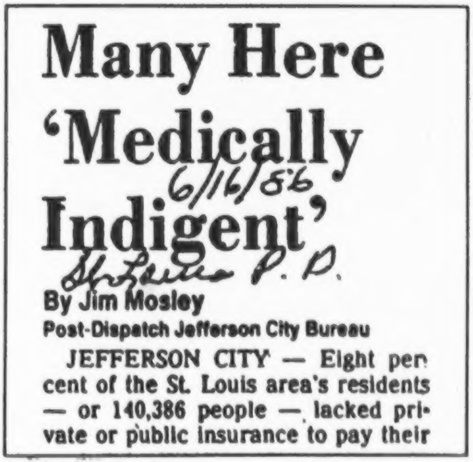
low-income children," the panel said.

Child Care. The state of Missouri has about 5000 subsidized day care slots available funded mostly by diminishing federal dollars. In 1984 there were 63000 children five years and under receiving AFDC. Thousands of income eligible households are on waiting lists hoping for a day care subsidy to permit them to work. In 1981 federal law reduced child care "disregard" for working welfare households to $160 per child per month, generally not enough to pay for safe licensed day care. **This grossly underfunded program alone explains a considerable part of welfare dependency and inability to work.**

Work expenses and transportation. Presuming that child care is available, how does one get the child there and then get to work? How about uniforms, tools and equipment, appropriate clothing or other expenses? The same federal law that reduced child care allowables to $160, reduced allowable work expenses to $75 per month. Automobiles may have a value of no more than $1500 if AFDC benefits are to continue. **Thus, inadequate or expensive public transportation, inferior autos, or job costs much higher than allowable work expenses also account for inability to work and escape welfare.**

Health care. "When I had to choose between my job and getting medicine for my baby, I did what any mother would do — I quit," said one welfare mother faced with high prescription costs for her child. The loss of Medicaid benefits and the lack of health care benefits in minimum wage jobs is a major barrier to holding jobs for welfare clients. Currently in Missouri Medicaid coverage typically can continue for four months after employment. The state could have exercised the option to extend coverage for nine months for all working welfare families, but its current emphasis is on cost containment, not extension of benefits. Recent changes in federal law may force states to extend Medicaid benefits to nine months. **If we want welfare clients to gain and hold jobs, the issue of health care must be faced.**

It is encouraging that the Missouri General Assembly is now considering a health insurance program, Medassist, for the one-million working poor and medically indigent not presently covered, but it will face considerable public and political opposition.



Many Here 'Medically Indigent'

6/16/86

St. Louis P. D.

By Jim Mosley

Post-Dispatch Jefferson City Bureau

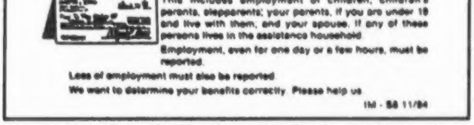
JEFFERSON CITY — Eight percent of the St. Louis area's residents — or 140,386 people — lacked private or public insurance to pay their

Some will ask, "Why can't we expect welfare clients to pay for child care, transportation, work expenses, and health insurance out of their welfare benefit and/or their wages?" Because, in Missouri the maximum welfare benefit for an average family (a mother and two children) is $279/mo., barely enought to cover rent and utilities. (The State is 37th in the nation in welfare benefits.) **This sub-survival benefit shows the unresponsiveness of some states like Missouri to the poor and the necessity for federal action to mandate minimum benefits.**) A full time minimum wage job would bring a family of four only 63% of poverty income, so these do not necessarily make work economically viable.

The reader will note that the problems of inadequate child care, transporation, work expenses, and health benefits as obstacles to work and independence discussed above are merely common economics at work. **Work costs money, and if the benefits are less that the expense, people can't work.**

The following set of obstacles and disincentives to work and human dignity are less rational and test the patience of reasonable people. They are thoughtless welfare policies of state and federal government whose purposes are administrative convenience and/or cost, error, and fraud control regardless of the human and social consequences.

"Retrospective Budgeting" is a federal policy that determines welfare benefit levels based on income received two months previously. Thus, if a family took temporary employment in January, its benefit levels would be reduced in March. This is based upon a policy maker's fiction that last month's paycheck should have been husbanded to last into next month's family budget. Which middle class family with its regular paychecks and extensive credit could boast of such prudence? How can a low-income family with below survival income and virtually no credit possibly live up to such a standard? Apparently, retrospective budgeting is no more than a cost and fraud control device, but **it's net effect is to discourage work, punish enterprise, and foul up program administration with needless complexity.**



HAS SOMEONE STARTED TO WORK?

If you or anyone in the household for whom you are receiving AFDC or Food Stamp benefits begins working, the change in income must be reported.

This includes employment of children, children's parents, stepparents; your parents, if you are under 18 and live with them, and your spouse, if any of these persons lives in the assistance household.

Employment, even for one day or a few hours, must be reported.

Loss of employment must also be reported.

We want to determine your benefits correctly. Please help us.

IM - 58 11/84

The handtool of retrospective budgeting is the Monthly Status Report (MSR). This is a four page form requiring high school and above reading proficiency. It is a report of monthly income required of over 40% of AFDC and 9% of Food Stamp clients, about 62,600 people. It has been compared to a monthly income tax form. The Missouri Dept. of Social Services (DSS) has made the form more complex and requires more clients to complete it than most other states. Because of its complexity **MSR causes destitution in Missouri and discourages work and independence.** In Sept. 1986 3200 households, about 10,000 people were dropped from welfare roles, not because they were not needy and eligible, but because they failed to complete the MSR on time and/or accurately.

DSS has resisted changing its MSR practices because of its belief that it prevents administrative error and federal sanction. National studies have shown that MSR may actually cause more error than it prevents by overburdening understaffed welfare offices with complexity and paperwork.

AFDC-UP (Unemployed Parent) is the only program in Missouri for intact families. It is not for the long term unemployed but for those with a significant work history and tends to be used mostly in outstate Missouri. It represents only about 6% of the total AFDC caseload. One of its federally inspired absurdities is that no family can remain on the program **if the breadwinner works over 99 hours per month, regardless of the income.** Such a rule discourages full-time work or tempts people to not report their income as required by law.

The welfare system sets "fraud traps" for clients which punish people for incidental labor or initiative. Baby sitting fees, selling of plasma, gift from relatives, etc. must all be reported at the risk of losing benefits or facing fraud charges. This constitutes a higher standard of behavior and accountability for the poor than other economic classes. Yet, reasonable people know that welfare does not provide survival level benefits. **The choices that welfare sometimes imposes are homelessness, hunger, ill health, or squalor vs. cheating the system.** Which would the reader choose?

The welfare office is often the battle line between economic classes in America. For caseworkers it is place of overwork, underrespect, conflict with clients, insufficient wages, and absurd rules and policies. **A profession often undertaken in idealism becomes a grueling treadmill of burnout and depression.**

For clients the welfare office is often the economic emergency room of last resort. Mind numbing waiting, traumatic need, insulting intrusion into privacy and self-esteem, and crushing bureaucracy, rather than emergency care, are common experiences. One provider shared a story of sitting in a Division of Family Services (DFS) waiting room with a mother and two young children for six hours only to be told that they would have to come back the next day for service. Contrast this scene with the middle class civility of a Social Security office.

Working people need confidence, optimism, and a competitive spirit to get decent jobs in the open market. A welfare office should be a safe, courteous place from which people leave with the same self esteem and somewhat more security than when they entered, so that they in turn can get traumatized lives back in order and strive for honorable work and independence. To preserve a democratic society we need to honor, protect, and serve people as individuals and not treat them differently based on economic class.

Welfare reform is simple to some, a question of merely forcing welfare clients back to work — any kind of work — at minimum wage to work off their benefit. What is wrong with this "solution" is,

* It is authoritarian and classist in concept and implementation;
* It treats welfare clients as a "lumpen mass" rather than as individuals with special needs and problems;
* It ignores external circumstances such as lack of jobs, day care, transportation, local recession, or other barriers;

To the degree that simplistic solutions are implemented, or permitted to dominate public debate on welfare reform, to that degree are true reforms prevented or delayed.

This report is very critical of state and federal laws, policies, and practices, but let us try to conclude this section by placing the criticism in perspective. Welfare programs in Missouri do serve thousands of needy and eligible families who would be infinitely worse off without those programs. There are good caseworkers and administrators in these programs striving to do as much good as possible under the circumstances. Some are strong people who keep their idealism and faith regardless of how hard it gets. There are many welfare offices that go out of their way to extend thoughtful, courteous service.

We offer this report with its tough criticisms because we must do better in extending justice and understanding to the poor, and the welfare system is a meeting and testing ground for the community's better instincts. A high technology and free enterprise system by its very nature creates economic casualties, but this free and creative system is protected and preserved only when its human casualties are tended to with respect and sufficiency. The welfare system is a safety valve for the high pressure American economy. In a democracy individual needs and dignity must be respected because if we ignore these for the poor, we are merely stripping them from the rest of us when we inevitably face our own "hard times". **Improving welfare is doing no more than preserving what we cherish and looking after our own interests.**

I Love My Mommy

WELFARE REFORM IN MISSOURI — RECOMMENDATIONS

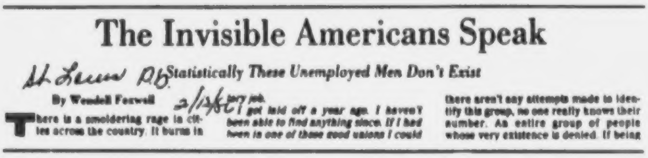
ISSUE AREA ONE: **Expanding Work Opportunities, Incentives, and Initiatives**

Welfare reform should be pro-jobs. Many welfare clients are eager to work, but sufficient educational and training opportunities are not available to prepare them for jobs with survival wages. Many are able to work, but there are not enough job openings, or they may need pre-employment, job counseling, and job assistance programs. For clients with young children work must be viewed in relation to the total needs of the family. Low paying service jobs at minimum wage and without benefits are often not economically wise alternatives to welfare, neither for the particular family nor for society.

Public policy must resolve conflicting philosophies about whether work outside the home, parenting in the home, or some combination of both are desirable social goals. It is unjust to legally impose stricter work obligations on the poor than other classes through the welfare system. Encouragement, incentives, supportive services, and choice rather than coercion are the essential elements of any work, education, or training program.

More jobs outside the home for welfare clients will require more public money for public service or subsidized private sector jobs. Paid neighborhood and community work and grants for minibusiness development are creative avenues for fostering new employment.

However, **work initiatives are needed not only for welfare clients, but for unemployed, single men and women without children who are currently ineligible for any assistance program except Food Stamps.**



The Invisible Americans Speak

St. Louis PD *Statistically These Unemployed Men Don't Exist*

By Wendell Foxwell

2/13/87

There is a smoldering rage in cities across the country. It burns in

... job.

I got laid off a year ago. I haven't been able to find anything since. If I had been in one of those good unions I could

there aren't any attempts made to identify this group, no one really knows their number. An entire group of people whose very existence is denied. If being

Racial and sexual discrimination continue to prevent access to the labor force and/or to jobs with living wages. Recommitment to this basic economic justice issue is essential.

An important adjunct to work incentives is the raising of the minimum wage which currently provides only 63% of the poverty level for full time work for a family of four.

RECOMMENDATIONS, ISSUE AREA ONE

1. Provide health care coverage, child care, transportation, and/or work related expenses to permit welfare clients to accept sub-poverty wage jobs.
    - A. Health care, State action.
        - 1) Expand current Medicaid coverage to include as many of the working poor as possible through the "medically needy" federal option.
        - 2) Extend Medicaid benefits to welfare clients who return to work to the maximum duration allowable (15 months).
        - 3) Reform and enhance existing Medicaid programs (open formulary, decreased bureaucracy, appropriate and timely provider reimbursements, emphasis on preventive and primary care, etc.).
        - 4) Enact a Missouri "MedAssist" program, a state insurance program to cover those not covered by Medicaid up to 200% of poverty level.

B. Health Care, federal action.
  1) Support federal initiatives to require states to operate enhanced, standardized Medicaid programs that encourage work and independence.
  2) An alternative to acceptable federal standards for state operated Medicaid is a federal universal health insurance program for whose under 200% of poverty level.

C. Child Care. Increase state, federal and charitable funding of child care services for welfare clients, who are working or students, or looking for work.

D. Transportation, work, & school expenses. Increase the deductible work expenses for welfare clients to reflect true costs without causing a loss in benefit levels. Permit ownership of autos with value higher than $1500.

2. The number of jobs, public and/or private, must be increased for working welfare clients and unemployed single people or they will merely displace existing workers if they enter the workforce. Federal policies should strive for full employment for all able and willing to work.

A. Increase the number of jobs reserved for welfare clients under the Job Training Partnership Act (JTPA), WIN or other appropriate program.

B. Provide training opportunities and grants to welfare clients for mini-business development in their own communities (sewing, repair, maintenance, food shops, etc.).

C. Define and establish a publicly subsidized "work credit" program based on beneficial community work, e.g., co-op buying, PTA work, rides to those without transportation, emergency child care, etc.

D. Require all public works expenditures to commit a fixed percentage to hiring and training of welfare clients. All public works should design a percentage of jobs for people with low to medium technology skills ("appropriate technology" concept).

3. Provide education and/or training for those who are not job ready or ready only for low opportunity jobs; and provide vocational counseling, job search assistance, and supportive services for those who are job ready. This should be for both welfare clients and unemployed single men and women.

A. Support increased funding and coverage for the Work Incentive (WIN) program, JTPA, or other appropriate program vehicle.

B. Support specialized welfare-to-work programs for teen-aged mothers.

C. Women should be assisted to gain non-traditional jobs with potential for advancement & living wages.

4. Minimum wage must be adjusted to at least $4.35 to raise it to 1981 purchasing power. (But even $4.35 is not enough. Full time employment at $4.35 would raise a family of four to 82% of poverty level.)

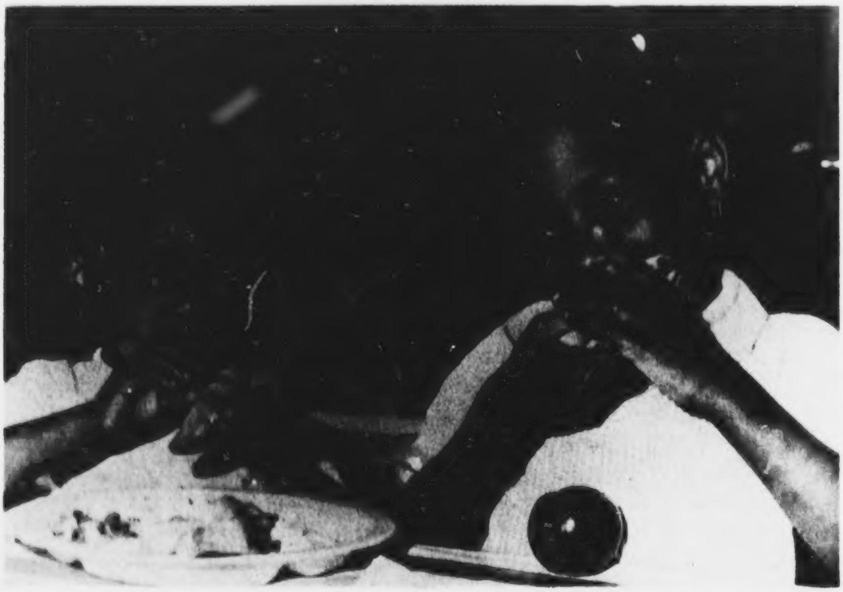
5. Obstacles to work, opportunity, and independence must be addressed through affirmative action enforcement, comparable pay, and equal rights for women in the marketplace.

ISSUE AREA TWO: **Mending and Strengthening the Safety Net**

Welfare reform should establish a minimum poverty-level standard of living. Existing public assistance benefits in Missouri do not provide minimal standards of living for families and individuals. This contributes to low-self esteem and malaise. It degrades the human spirit. It contributes to hunger, poor health and mal-nutrition, lack of interest and motivation for children in school or energy and ambition for adults. It causes homelessness.

In cases of extreme need the processing of applications is too slow to relieve a household crisis despite laws on timeliness to the contrary. The stigma of public assistance can cause emotional problems.

Welfare's inadequacy causes severe household management problems. These might be relieved somewhat if a counseling program were available to orient clients to their new poverty status including discussions with clients experienced at coping on below-survival budgets. Mental health, budgeting, and parenting counseling are also essential. **But orienting people to**



destitution as a substitute for sufficient jobs and/or benefits is a surrender to the inevitability of poverty in America.

Presently, single men and women without children who are ineligible for unemployment compensation have no access to public assistance except Food Stamps. Benefits should be extended to all based on need.

RECOMMENDATIONS, ISSUE AREA TWO

1. Establish a national, minimum AFDC benefit standard **or** replace AFDC with a Universal Children's Allowance* (as undertaken in several European countries) to provide for the needs of poor children without the welfare stigma. Mandate that all states operate the AFDC-UP program. Permit continued AFDC benefits for those in job training.
2. As an alternative to federal mandates, the state should update its inadequate "standard of need" to reflect cost-of-living realities, and then pay 100% of the standard.
3. General Relief (GR) program.
    1) Increase GR benefits for disabled people from $80 per month to the SSI maximum of $336.
    2) Create a new GR component for unemployed single people, and cover them while in job training and/or seeking employment.
4. For extreme hardship cases & emergency situations, mandate the issuance of food stamps on the same day of application and AFDC within one week.
5. The state should conduct outreach programs for public assistance programs, such as food stamps, AFDC, and commodities, to insure that all eligible persons have an opportunity to receive benefits. It should take applications in emergency shelters and soup kitchens. Its offices should be open on weekends and after 5:00 P.M. to give the working poor access to programs.
6. Food stamp benefits should be raised to realistic levels.
    A. Revise the "thrifty food plan" to reflect minimal nutritional needs.

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* The Universal Children's Allowance is a minimum grant extended to every child in every household. It is taxable income. Therefore higher income people would ultimately gain less from it than those with no income at all.

   B. Revise the regulatory fiction that presumes that one-third of a Food Stamp client household's budget is used for food to reflect the current American average budget expenditure of 16% for food.

7. Increase federal and state funding for the Women, Infants, and Children (WIC) program to be sure that all who are eligible receive benefits.

8. Strengthen Child Support Enforcement to require absent working parents to support their children and augment AFDC benefits.

ISSUE AREA THREE: **Preserving Dignity and Self-esteem of Families and Individuals Needing Welfare Services**

Welfare reform should advance the equality and dignity of all persons. Welfare laws, policies, and practices of federal and state government often degrade people experiencing great need. There is great disparity in the characteristics of programs serving the middle class vs. those serving the poor.

Welfare offices frequently have insufficient, undertrained staffs beleaguered by bureaucratic excess and traumatized clients. There is little time to talk, explain, and encourage; or to nurture human dignity and self-esteem of persons in economic and personal crisis.

Application and reporting requirements, aimed at curbing fraud and abuse, presume the worst intentions of human nature and fail to consider the needs, abilities, and resources of target populations.

Clients, along with staff and community leaders, should be coalesced into advisory groups to review and correct policies and procedures that damage human dignity of both clients and workers.

Benefit restrictions which discourage two-parent, extended & other kinds of families and deter older children from remaining at home until self-sufficient tear at the fabric of society. Welfare reform should be pro-family.

RECOMMENDATIONS: ISSUE AREA THREE

1. Increase welfare staff levels to meet caseload demands; reduce unnecessary bureacratic complexity and paperwork; provide training in humane public interaction; prohibit intrusive questioning and bullying that some caseworkers employ. When fraud is suspected, the inspection unit, not the caseworker, is the appropriate vehicle for investigation.

2. Handout materials should inform clients of their rights, such as the right to appeal decisions and the process by which to do so; written materials should list public assistance programs available; caseworkers should voluntarily inform clients of programs to which they may be entitled.

3. The State should eliminate or simplify applications and forms, such as the Monthly Status Report (MSR). They should not be more complex than federal law and regulation requires. The numbers of clients required to file MSR should be reduced to the minimum permitted by Federal law.

4. The federal government should reform its laws and policies which cause extraordinary bureaucracy in the states.

5. AFDC reforms.

   A. Remove restrictions which limit eligibility to one-parent families. Determine eligibility based solely on need.

B. Eliminate the work history requirement and the 100-hour maximum work rule from the AFDC-UP (Unemployed Parent) program to increase access to more two-parent families.

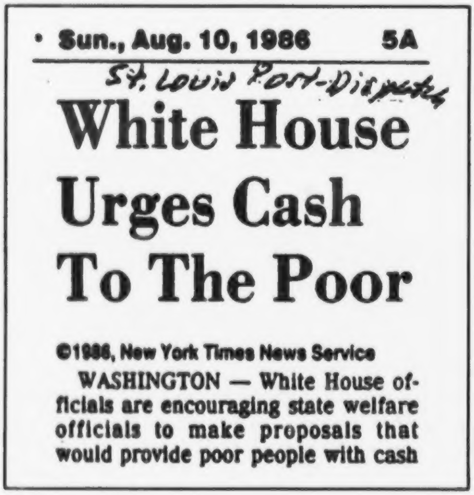
C. Continue eligibility for 18 to 21 year old youths still in high school or vocational training and living at home.

D. Support the shared living arrangements of teen parents with their own parents by not counting the grandparents' income against the teen parent's AFDC grant.

6. Strengthen the functioning of citizens' advisory committees to provide vigorous and continuing monitoring of public assistance programs. Clients themselves, community leaders, and staff should participate. Conduct open forums, and make information available to the public.

ALTERNATIVE RECOMMENDATION TO ISSUE AREAS TWO AND THREE:

Combine AFDC and Food Stamps into a single cash grant, equivalent to a poverty-level standard of living, to remove the stigma of shopping with coupons and to simplify administration of benefits. (Block granting of Medicaid and housing benefits is not recommended by the Committee.)



• Sun., Aug. 10, 1986 5A

St. Louis Post-Dispatch

White House Urges Cash To The Poor

©1986, New York Times News Service

WASHINGTON — White House officials are encouraging state welfare officials to make proposals that would provide poor people with cash

THE WELFARE SYSTEM IN MISSOURI: A REVIEW

AN OVERVIEW

Any discussion of welfare in Missouri focuses on the Missouri Department of Social Services (DSS) and more specifically the Division of Family Services (DFS) and Division of Medical Services (DMS) within DSS. DDS is the state's primary anti-poverty and social services agency, providing income maintenance, food, and medical care for the poor and protection of children from all economic levels. It has responsibility for administering Missouri's major welfare programs serving the poor: AFDC, Medicaid, Food Stamps, and General Relief. It also screens and refers AFDC participants for the Work Incentive Program (WIN) and the AFDC share of the Job Training Partnership ACT (JTPA) openings, and refers Food Stamp recipients to the Job Search Program.

MISSOURI
DEPARTMENT OF SOCIAL SERVICES
DIVISION OF FAMILY SERVICES
P.O. BOX 88
JEFFERSON CITY
65103

Is the welfare system providing an adequate, timely, responsive, and work-enhancing safety net for Missouri's poorest residents? That is the study question undertaken by the Review Committee in this report. The answer is "yes" and "no" in some programs and "too little, too late" in others. The purpose of this section is to describe the welfare services available, eligibility requirements, populations served and not served, and major issues that affect the receipt of services and that impact positively and negatively on populations served.

Information sources for this review come primarily from people with first-hand experience with the system, both clients participating and staff working in the system. Other information comes from advocates outside the system, a reading of the literature, administrative reports, and opinions and concerns of interested citizens.

The welfare system is reviewed with two main purposes in mind: meeting survival needs of the poor — the safety net function — and promoting the self-sufficiency of clients to the greatest degree possible. The review is organized according to these purposes, focusing first on the way in which survival needs of families are addressed, the assistance available to the poor in general, populations not included in the safety net, and finally a review of the issues and programs involved in promoting work and self-sufficiency.

MEETING SURVIVAL NEEDS OF FAMILIES

The AFDC programs (Basic and Unemployed Parent) are the cash assistance programs available to needy families and their children. Other major welfare programs available to poor families are Food Stamps (discussed under assistance to the poor in general), Medicaid, & WIC. These programs and related issues are described below.

AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC and AFDC-UP)

Description and Eligibility:

AFDC is an assistance program which provides a cash grant and Medicaid coverage to eligible needy families with children. To qualify for the Basic program, the children must be deprived of parental support (i.e., death, desertion, or total disability) of one or both parents and have limited or no income and limited resources according to established guidelines. There is a $1,000 limit on assets, including the equity value of resources owned by the family, such as the value of a car over $1,500, personal effects, income producing property, burial plots, life insurance policies, etc.

The objective of AFDC is to encourage the care of children in their own homes or in the homes of relatives (40% of caretakers are not a natural parent of at least one child in their care).

Two-parent families in Missouri may be eligible for assistance under the AFDC-UP unemployed parent program if the husband as primary wage earner is unemployed and the wife is employed at wages that put the family below federal poverty guidelines. Other eligibility regulations require families to show a recent attachment to the work force, which eliminates those without a work history or recent employment. Also the 100-hour work rule stipulates that no family can continue on the program if the wage earner works more than 99 hours a month regardless of the wage and resulting income.

AFDC categorically renders the family eligible for in-kind services of Food Stamps and Medicaid. The family must meet asset limits for the former.

AFDC payments are based on the state's Standard of Need, an official measure of what it costs to live at a low income level (Missouri's Standard has not been adjusted since 1975, despite inflation). For example, the Standard of Need for a family of three (a caretaker with two children — the average AFDC household) is $312 per month which is less than 42% of the federal poverty level. Although the 100% figure is used when determining eligibility, the amount actually granted to clients is only 89.54% of the full Standard. The table below shows the Standard and Grant level for Missouri recipients.

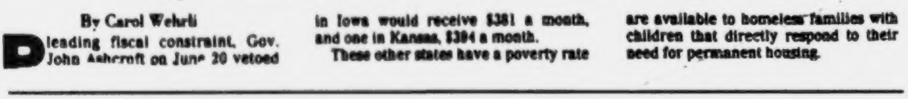
Size of Family	100% of Standard	Maximum Grant (89.54%)
1	$145	$130
2	$250	$224
3	$312	$279
4	$365	$327

The average AFDC case load during FY 1986 was just over 66,000 cases or about 199,000 persons.

Are AFDC benefits adequate?

A major concern of the Committee is that AFDC benefits are not sufficient to enable families to meet basic survival needs for food, shelter, energy, transportation, clothing and medical care. Missouri's benefit levels are far below the national average and lower than surrounding states. The maximum benefit for a family of three is $279, just 36% of the federal poverty level. In Illinois the same family would receive $302, in Iowa $360, and in Kansas $373. Missouri ranks about 37th in grant levels of the 50 states.

If the amount of Food Stamps available to the family were added, it would increase purchasing power to only 57% of the poverty line and about one-third of Missouri AFDC households are not receiving this extra benefit. There is no state where combined benefits meet the poverty level. AFDC benefits have increased by nearly 12% in the past six years while the cost of living has increased by more than 30%, resulting in a 18% loss in purchasing power. This coupled with an out-of-date Standard of Need means a bare existence for recipients.



St. Louis Post-Dispatch

7-3-86

At What Cost To Missouri's Future?

Ashcroft Vetoes Will Hurt The State In Economic And Human Terms

By Carol Wehrli

Pleading fiscal constraint, Gov. John Ashcroft on June 20 vetoed

in Iowa would receive $381 a month, and one in Kansas, $394 a month.

These other states have a poverty rate

are available to homeless families with children that directly respond to their need for permanent housing.

According to a caseworker in the system, "This breeds an attitude of despair and hopelessness . . . As far as I can determine, nearly all of the AFDC check in many cases is used to pay the rent."

One former Missouri client who lived in Illinois for a short period in a housing crisis, moved into a building in late fall using all the money she had to move, pay a deposit and the first month's rent. She also sold her Food Stamps to raise money. In order to pay utilities, she used her last

Illinois AFDC grant while paperwork was being processed in Missouri. When her Missouri check was delayed an extra month because the monthly reporting form was filled out incorrectly, she was unable to pay her following month's rent. Fortunately, at the time, there were Federal Emergency Management Agency (FEMA) funds available to help the family.

The effects of insufficient benefits mean families are continually on the brink of homelessness or hunger. Basic needs have to be traded off against each other, making choices and responding to the most immediate. As one Committee member remarked, "Surviving an AFDC is a full-time job." It includes such things as accompanying children to day care on public transportation, using the same to go to a food pantry when Food Stamps run out or, perhaps, first going to a neighborhood center for petty cash to pay transportation to the pantry, standing in long lines waiting for commodity foods, trying to borrow money from friends or relatives to cover rent or utilities, trying to find transportation to take a sick child to medical care, shopping at many stores to obtain the best bargains on food and clothing, trying to keep clean vermin-infested housing, and going to a neighbor's house to use the telephone. It is time-consuming, energy-sapping, and spiritually-degrading, without any of the financial or personal rewards of work.

It may not be employment, but motherhood is work.

The Economist 5-11-85

A safety net is not adequate in the Committee's opinion if it does not provide sufficient benefits to maintain a family in housing, health and general well-being. Various recommendations are proposed for addressing this deficiency: updating the Missouri Standard of Need and building in cost-of-living increases; setting standardized benefit levels in all states by the federal government; or providing a universal children's allowance to insure that the basic needs of all children are addressed without the stigma of welfare. Several European countries have enacted measure as this.

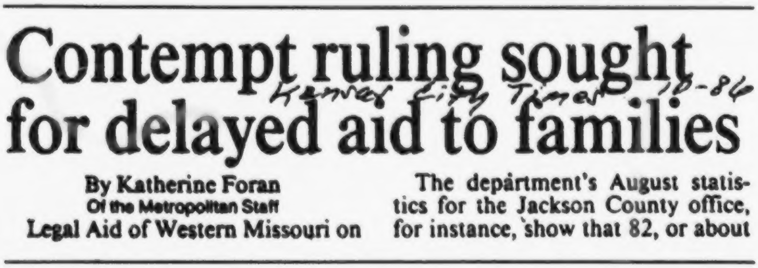
Is the Provision of Benefits Timely and Responsive?

The Committee expressed great concern over the degrading process of applying for welfare. It is a time-consuming, depersonalized process which includes filling out lengthy forms, verifying identification and income and assets for everyone in the household, and being subjected to an invasion of personal privacy through intrusive questions. The initial application process can take all day and waits of three hours are not uncommon for recertification. Overworked caseworkers spend little time with clients, and **clients are not always given information about all the services to which they are entitled.**

Ross Snodgrass

The application process is often confusing, impersonal and stigmatizing. For new clients without the support of family or friends, the process of applying for welfare undermines the self-respect and dignity already impaired by being destitute in a wealthy society. Two of the source papers are by persons who have been through the system and who share their experiences and perceptions.

The Committee recommends that the application process be simplified in terms of reporting and verification. **Application offices should be appropriately staffed and workers trained to interact with clients with the same respect and dignity accorded to middle class people applying for Social Security.** This is not intended to criticize many caring workers who do a commendable job given the case load and repressive procedures. It is intended to insure that clients be given the time and information needed to assist them in receiving all entitlement services — whether they know about them or not.



Contempt ruling sought for delayed aid to families

Kansas City Times 10-86

By Katherine Foran
Of the Metropolitan Staff

Legal Aid of Western Missouri on

The department's August statistics for the Jackson County office, for instance, show that 82, or about

A second issue is the length of time required for processing of applications. Processing takes up to 45 days for a cash grant (the state legal limit is 30). If the client is eligible for Food Stamps on an emergency basis, the processing requires up to 10 days (the legal limit is 5); regular Food Stamps applications also take up to 45 days (the legal limit is 30).

Most applicants do not have ready alternatives to make do for the 45 days in the event of lost or very limited income. Rent and utilities will go unpaid, perhaps leading to eviction, and there is the danger of losing one's children because of neglect. **Once a family loses shelter, the caseworker is mandated to begin action by the state to remove the children.**

The Committee recommends that emergency Food Stamps be made available on the day of application and that a cash grant for needy families be available within one week of application. Transitional services for people becoming welfare clients are also recommended to enable new clients to cope with limited financial resources and the stresses of living on welfare.

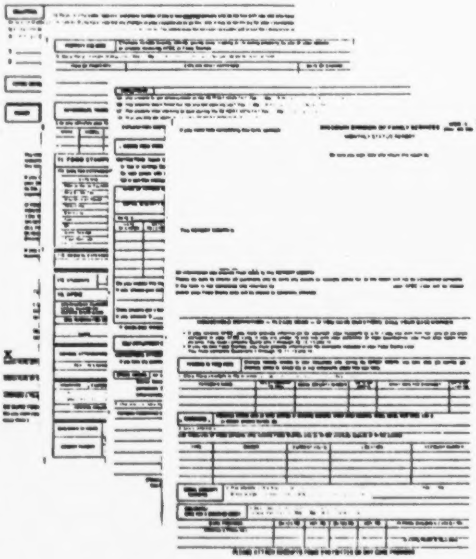
Once a client is accepted into the system, the monthly reporting requirement for all AFDC clients and about one-half of Food Stamp clients is a complex, cumbersome undertaking. The form called the Monthly Status Report (MSR) has been likened to filing one's income tax every month. It is four pages in length, has been documented to require a high school education for comprehension, and must be completed and returned several days after receipt.

Adrienne Rosen

The purpose of the form, mandated in some variation by the 1981 Omnibus Budget Reconciliation Act (OBRA), is to cut down on waste and fraud in the allocation of benefits. A client must report financial information at the beginning of the current month which will be reflected in benefits received two months later, a policy called retrospective budgeting. If the form is late, lost, stolen, incomplete, or not returned, the recipient risks immediate termination and must reapply — delaying receipt of benefits by another month.

The MSR form is an obstacle to part-time work and temporary employment. Once a job ends, there is at least a month's delay in receiving benefits adjusted upwards.

Missouri's form is much longer and more complicated than many other states; the federal mandate does not require its complexity. Efforts to modify the present form by advocates outside the system have made few improvements. Yet it clearly hampers the receipt of benefits by people with little education or mental disability. An especially objectionable part of the form requires naming one or two persons as "collaterals" who can be contacted for verification of the information provided. Most recipients experience little change in life circumstances from month to month and a "no change" form would seem to be appropriate. **The Committee recommends that the monthly reporting requirement be eliminated wherever possible and that mandated reporting be simplified to the greatest extent possible, including a "no change" form.**



The Monthly Status Report (MSR) Form

St L. Post-Dispatch

26 States, D.C. Sue U.S. Over Welfare Rules

WASHINGTON (AP) — Federal regulations designed to reduce welfare payments made to ineligible people are the target of a lawsuit

State officials are concerned about curbing the error rate and federal sanctions applied for same. Yet if the purpose of public assistance is to provide benefits to those in need, a like concern should be focused on reporting requirements that do not hamper the receipt of benefits.

MEDICAID

Description and Eligibility:

Most public assistance recipients in Missouri are also eligible for the Medicaid Program (Title XIX of the Social Security Act). Administered by the Division of Medicaid Services (DMS). It is also available in some cases to persons not receiving cash benefits, such as children under 21 from two-parent families who do not qualify for AFDC, but whose families meet AFDC financial standards. AFDC recipients whose cases are closed because of employment or increased wages continue to be eligible for Medicaid for four months from the date of increased income. For those relatively few whose cases are closed solely because of the first $30 and one-third disregard of earned income, Medicaid can be extended for nine months.

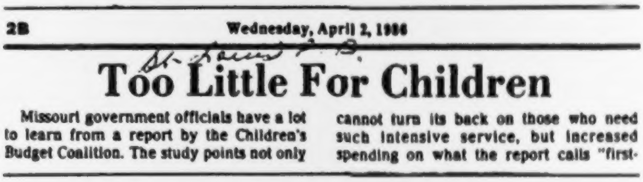
Medicaid has stringent requirements for eligibility in Missouri. Property and assets cannot exceed $20,500. Home ownership is a serious impediment for poor older persons faced with medical or nursing home bills. An applicant is allowed cash or bank deposits of $999.99. The allowable amount for life insurance was recently reduced to $1500.

Medicaid provides hospital and medical care, including physician's services, some prescription drugs, dental services, early periodic screening, diagnosis and treatment for those under 21, and optometric services. The cost of some services is shared by the recipient in the form of co-payment. Prescription drugs, dental and optometric services, emergency room care and other services require between $.50 and $5.00 co-payments.

About one-half of the Medicaid recipients in Missouri are children. In an average month in FY 85, about one-third of the children receiving AFDC benefits received medical services. The cost of Medicaid benefits averages $500-$600 per year per child for all programs serving children.

Is Medicaid coverage adequate in Missouri?

Many of the 278,300 children living in poverty in Missouri are not receiving Medicaid. About one-half of the 175,000 persons receiving medical care under Medicaid in an average month in FY 85 were children — 31% of the total number of children with poverty status. The Children's Defense Fund has estimated that 55% of eligible children in Missouri do not receive benefits. An official of the Missouri Health Association recently reported that AFDC recipients make up 60% of the eligible population, but receive only 20% of the expenditures.



2B Wednesday, April 2, 1986

St. Louis P.D.

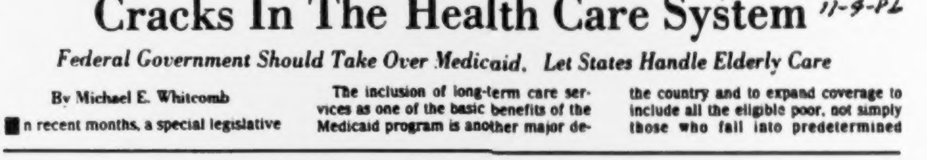
Too Little For Children

Missouri government officials have a lot to learn from a report by the Children's Budget Coalition. The study points not only cannot turn its back on those who need such intensive service, but increased spending on what the report calls "first-

The recent study of the Legislature on health care in Missouri estimates that one million residents or about 20% of the state's population are medically indigent or at risk of becoming so. Their numbers include 617,000 residents without public or private health insurance, 300,000 poor residents whose private insurance did not cover items such as visits to physicians, prescription drugs and dental care, and 36,000 near-poor people who must spend out-of-pocket in excess of 10% of their incomes for medical expenses.

Missouri senior citizens have experienced particular and severe problems with Medicaid coverage and procedures.

The issue of health coverage is a major factor in the decision of AFDC mothers to work or not work (discussed more fully in the final part of this chapter). Most low-paying jobs do not have health benefits. As one mother faced with costly medical prescriptions said, ". . . when I had to choose between my job and getting medicine for my baby, I did what any mother would do — I quit."



St. Louis Post-Dispatch 11-9-86

Cracks In The Health Care System

Federal Government Should Take Over Medicaid. Let States Handle Elderly Care

By Michael E. Whitcomb

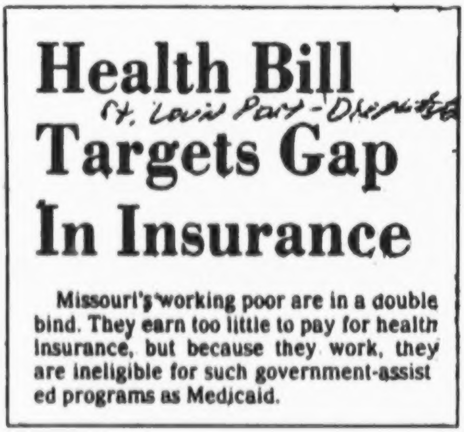
In recent months, a special legislative

The inclusion of long-term care services as one of the basic benefits of the Medicaid program is another major de-

the country and to expand coverage to include all the eligible poor, not simply those who fall into predetermined

Since the 1981 OBRA legislation which placed tighter restrictions on earned income, many working poor have been removed from the AFDC rolls and lost Medicaid coverage. The state could exercise an option to extend coverage to working families longer than the current policy of four months after cases are closed or nine months for those closed solely because of the first $30 and one-third disregard of earned income provision. But the current emphasis in social services is on cost containment, not broader coverage.

Missouri also does not have a "Medically Needy" program which is allowed under federal law for low income families and children. Under this program, a family is eligible for Medicaid coverage when family income is 133 1/3% (or less) of the AFDC eligibility level, after payment of certain medical costs.



Health Bill Targets Gap In Insurance

St. Louis Post-Dispatch

Missouri's working poor are in a double bind. They earn too little to pay for health insurance, but because they work, they are ineligible for such government-assisted programs as Medicaid.

Missouri legislators considered a bill in the last session to create a Med Assist program to provide insurance for uninsured residents with incomes less than 200% of the poverty line and those with catastrophic illnesses. The bill did not pass, but is expected to return in some form in the upcoming session. The program as proposed would be funded by a one-cent sales tax and premiums based on ability to pay.

The Committee recommends that medical coverage be extended to low income working families in order to aid the independence and self-sufficiency of welfare recipients. It supports several alternative ways of extending coverage with the focus on preventive and primary care.

Current cost-containment measures can potentially have negative health-effects on clients. Medicines not on the approved Medicaid drug list will probably not be purchased and minor illnesses can develop into major ones requiring hospitalization where coverage is assured. For example, cough syrup not given when needed could advance to pneumonia. **The Committee supports an open formulary (approved drug list) for Medicaid and also increased accessibility to providers for low income families.** There is currently a shortage of service providers serving low income people. The Committee favors the extension of Medicaid coverage to more categories of people as allowed by federal law. This approach has the advantage of bringing federal dollars to Missouri. The Med Assist proposal would be state-funded

The Committee is supportive of efforts to develop the Med Assist Program as a way of providing affordable health insurance for people not covered through other programs. There are also efforts underway at the federal level to address the health care crisis. The Committee would support federal legislation focusing on preventive and primary care coverage for all those in need.

EMERGENCY ASSISTANCE

The Federal AFDC Program allows states to operate an Emergency Financial Assistance Program which would provide one time per year grants to families with children who require survival services because of an emergency situation. Missouri does not exercise its option to operate this program at the present time.

A bill passed by the Legislature in the past 1986 session contained a $600,000 appropriation for the emergency assistance program (50% state/50% federal). Funds were targeted specifically for housing assistance to stabilize families with children and prevent homelessness. It would have helped families in danger of eviction from overdue rent or utilities. The appropriation was vetoed by the Governor.

With the shortfall in low cost housing and a growing number of homeless, this program offers a needed supplement in crisis situations for low income families attempting to manage on Missouri's very low AFDC benefit levels. It is much easier to prevent homelessness than to address the multiple social and personal needs and costs precipitated by it. The Committee underscores the recommendation in MASW's homeless report supporting the funding of this program. Issues related to the diminishing supply of low cost housing will be discussed in a forthcoming report by the MASW Low Income Housing Task Force.

SPECIAL SUPPLEMENTAL FOOD PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

Description and Eligibility:

WIC is a preventive health program for pregnant women, new mothers and infants, and children under five operated by the Dept. of Health (DOH). The program provides supplemental foods, nutrition education and referrals to health services as an adjunct to good health for women, infants and children who are at nutritional risk on a medical assessment.

To qualify for the program, potential participants must have incomes no more than 175% of poverty level. For a family of three, this amounts to $15,487 annually. The certification for nutritional risk takes place at county health agencies. Supplemental foods provided through a voucher system are rich in protein, iron, calcium, and Vitamins A and C, and include milk, cheese, eggs, cereal, juice, dried beans and fortified infant formula.

In FY 85, 59,616 women, infants and children participated in the program. In February 1985, participants included 19% women, 32% infants, and 49% children under five. The average monthly food cost per participant was $32.

Is the WIC Program Adequate in Missouri?

The Missouri WIC program has documented through research that it is effective in aiding longer pregnancies, reducing the incidence of low birth weight infants, and increasing the average weight of newborns. It is also cost-effective. Every $1 spent on WIC participation of pregnant women results in an average cost-savings of $1.42 in medical expenses during the first 30 days of the newborn.

The main issue is one of coverage. Only 39% of eligible women, infants and children are receiving the services. The effects of WIC participation do not visably show up in overall maternal and infant health status indicators for Missouri because of its limited coverage. The **Hunger in Missouri** study by MASW recommended that the **state appropriate supplemental funding to underwrite the WIC program** as well as urge increased federal funding. The Committee supports that recommendation.

Low birth weight is the leading cause of newborn illness, mental retardation and infant death. With concerns about the high infant mortality rate in Missouri, especially among Black infants, WIC is a vital program for poor families.

WELFARE ASSISTANCE FOR THE POOR IN GENERAL

There are no cash assistance programs available for the poor in general in Missouri. General relief is not provided by the state as it is in Illinois or by local government as it is in Iowa. Food Stamps are available to everyone who meets the income and assets criteria. Commodity food distributions are also available on an irregular basis for those who meet income guidelines. The General Relief program is available to persons judged disabled (unable to work) for at least 90 days. Those programs and related issues are described below.

FOOD STAMPS

Description and Eligibility:

The Food Stamp Program is funded by the U.S. Department of Agriculture which pays the total cost of stamps and at least one-half of administrative costs. Eligibility is determined by income and assets: gross income no more than 130% of poverty and net income no more than 100% of poverty. The 1986 federal poverty level for a family of three is $9,120 and for a family of four is $11,000. Asset limits are $2,000 for an individual household and $3,000 for a household in which at least one person is 59 or older. A primary residence of any value or an automobile with an equity value of less than $4,500 are not included in the limit.

Amounts awarded as stamps are based on household size and income. A household is defined as any group of individuals living, shopping and cooking together, related or not. Food Stamps are coupons which can be used to purchase any food, but not alcohol, tobacco, pet food, soap, paper products, or other non-food items. Food Stamps are not designed to provide for total food needs. Each recipient household is expected to spend one-third of its net income on food in addition to the stamps.

The purpose of the Food Stamps program is to improve the diets of persons in low income households and to expand the market for domestically produced food by supplementing the purchasing power of low income families.

The program includes a work registration requirement called Job Search. This is described in the final section of this chapter.

The normal processing time for Food Stamps is legally 30 days, but about 45 days by experience. Households in great need (gross income less than $150 per month and resources less than $100) can receive expedited Food Stamps within five days according to guidelines, but closer to 10 in practice. At the present time, Food Stamp applicants must report monthly if AFDC recipients or if they have frequent changes in income. Elderly or stabilized households report at 3 to 12 month intervals.

Approximately 375,000 Missourians receive Food Stamps at the present time (about 56% of them are under 20 years of age). The average monthly benefit per person is about $45.00, or $.50 per meal.

How Adequate Is the Food Stamp Program in Missouri?

While a great many Missourians benefit from Food Stamps, the program serves only about 38% of the income-eligible population. MASW's **Hunger in Missouri** report cites lack of outreach, bureaucratic complexity and inadequate staff resources, and unfair eligibility requirements as major reasons for the low participation.

HUNGER HOT SPOT

Hungerline Reports
May/June 1985
World Hunger
Year

Missouri: Why Are Hungry People Not Using Food Stamps?

There are more hungry people now in Missouri than at any time since the Great Depression, yet the percentage of hungry Mis-

A major concern is that over one-third of those receiving public assistance do not receive Food Stamps. One reason for this is the current treatment of assets of families living doubled up with others. If a family resides with a non-elderly parent or sibling, their assets are considered fully available to the applicant. Prior to OBRA, a nuclear family could apply for Food Stamps on the basis of its income and assets alone.

There has also been concern expressed about whether or not all applicants for AFDC and General Relief are informed of their potential eligibility for Food Stamps. A DFS county supervisor indicated that some workers did not extend information on benefits available if not asked.

The hunger report calls for an investigation of why so few public assistance recipients receive Food Stamps. It further recommends that all recipients of AFDC, SSI (Supplemental Security Income), and General Relief **be automatically eligible for Food Stamps.**

In the case of the general population, there is an absence of information about Food Stamps. A national study found that 60% of eligible nonparticipants did not think or did not know that they were eligible to receive them. The hunger report recommends a variety of additional outreach strategies by the state.

Another issue of adequacy is the maximum amount of Food Stamps payable to households. There are two elements involved. First the design of the program presumes recipient households will spend at least one-third of their net income on food. While this may have been appropriate in the '50s when the concept was developed, today the average American spends about 16% of income on food. Other expenses like rent & utilities are demanding a greater % of income. But the 1950's presumption remains as the drive formula of the FS benefit. It is understandable why Food Stamps run out in the first three weeks of the month.

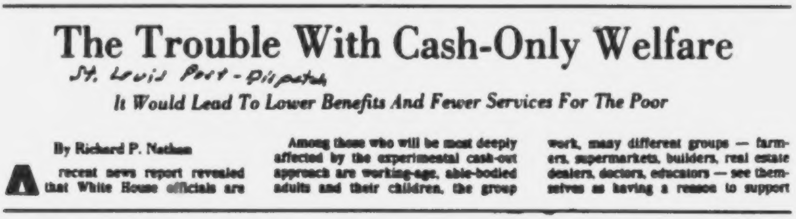
Second the USDA's "Thrifty Food Plan" is the least costly of the four food plans developed by the USDA and provides less than the Recommended Dietary Allowance (RDA) for some nutrients. Thus the basic premise of Food Stamps is inadequate nutritionally.

The Committee supports the foregoing recommendations in the hunger report and strongly urges a revision of the Food Stamp benefits upward to reflect income amounts actually spent for food by Americans and to reflect a nutritionally complete diet.

Cash Granting of Food Stamps and Other In-Kind Benefits

The Committee also supports an alternative recommendation of **combining Food Stamps with AFDC benefits in a cash grant**. This would remove the stigma for low income households of shopping with coupons and could also simplify the administration of both programs by combining them into one.

There have been concerns raised, however, about the likelihood of cash food benefits being used for other basic necessities, thus contributing to poor nutrition and defeating the very reason why the Food Stamps program was created. When combined benefits are insufficient to meet basic needs, it is likely that families would use cash benefits in the best interest of the family at the time and not necessarily for the purpose intended. Therefore the Committee includes in this recommendation that **the combined cash grant be equivalent to a poverty level standard of living.**



The Trouble With Cash-Only Welfare

St. Louis Post-Dispatch

It Would Lead To Lower Benefits And Fewer Services For The Poor

By Richard P. Nathan

A recent news report revealed that White House officials are

Among those who will be most deeply affected by the experimental cash-out approach are working-age, able-bodied adults and their children, the group

work, many different groups — farmers, supermarkets, builders, real estate dealers, doctors, educators — see themselves as having a reason to support

The Committee is not generally in favor of a block-granting approach to Welfare. Combining benefits into a single block grant makes them more vulnerable to the political winds of change and undermines constituencies that have been built around particular programs. The main reason for opposing this approach is that in-kind benefits are not likely to be cash granted at levels adequate to meet essential needs. The case of housing is a serious case in point. With a dwindling supply of low cost units on the private market, families are not likely to find rental units available within the scope of cash housing benefits provided. Similar arguments could be made for health care coverage, although there is a movement in this area to provide national health insurance for all those in need.

Also, there is the possibility that gross inequities will result from states operating their programs in different ways with different funding levels and commitments. If poverty were a matter of local circumstances, this would be at least partially justifiable, but the underlying causes of poverty are predominantly national and international economic forces.

As long as society as a whole is not willing to establish an equitable floor for poor persons and families, the provision of welfare benefits through a variety of single-purpose programs seems the best approach for meeting human needs.

COMMODITIES

Description and Eligibility:

The Temporary Emergency Food Assistance Program (TEFAP), the formal name for the commodities program, was begun at the national level as a means of addressing record surpluses of subsidized and stored food through the Agricultural Market Stabilization Programs. At state and local levels, however, the focus of the program is on providing food to the needy.

Eligibility requires that gross income be no more than 125% or 150% of poverty level, with the higher cutoff for persons 60 years and over. Eligible households must pre-register with appropriate documentation in advance of local distributions which are three times a year.

Commodities provided include cheese, butter, non-fat dry milk, honey, rice, cornmeal and flour.

Over 40,000 Missourians received commodities in 1985.

Is the Commodities Program Adequate, Timely, and Responsive?

The commodities program is basically a supplement to other food sources as it is not distributed regularly. Yet the need for it is apparent in the numbers of people who wait in long lines, sometimes under extreme conditions, to receive the food. The program only reaches about 20% of those eligible. Additional outreach is needed to let more people know of its availability.

Concerns have been expressed about too few distributions. The MASW hunger report recommended that they be made on a monthly basis. This would better meet needs and allow planning on the part of households and distributing agencies. Amounts distributed quarterly are often too large for storage, refrigeration, transportation, and even the capacity of individuals to carry away in their arms.

More attention needs to be directed to the mix of foods provided. Some foods if consumed in quantity could worsen certain health problems, such as high blood pressure and heart

Food Giveaway

Employees of the Human Development Corp. distribute cheese, butter, honey and other food Thursday morning behind the agency's office at Jefferson and Park avenues. The surplus food is distributed every three months.

disease.

The committee supports the recommendations in the hunger report and urges **more outreach to let eligible populations know of its availability.**

GENERAL RELIEF

Description and Eligibility:

General Relief is a state-funded program provided to persons who are certified as disabled (unable to work) for at least 90 days. The applicant must apply at the Division of Family Services office where he/she will be sent to a physician who must make the certification for eligibility. If the person is only temporarily disabled (less than 90 days), there is no assistance available. The applicant's physician can also supply the medical information to DFS for review by a team of doctors and social workers.

The General Relief benefit is $80 per month. It is not available for a person who is capable of earning even a small amount per week.

All GR recipients must apply for SSI (Supplemental Security Income) if their disability will last six months or longer. If approved, DFS deducts the amount of GR payments made from the SSI check.

An average 4,747 Missourians received General Relief in FY 86.

Is General Relief Adequate, Timely and Responsive?

As one client said to a caseworker, "You have to work harder for the $80 a month than you do on a job, because of the application run-around, keeping in touch with your caseworker, and the stigma of being on relief." General Relief is clearly inadequate to meet even subsistence needs, even if coupled with Food Stamps.

A disabled person with no funds would also find it difficult to get to the DFS office alone.

If the disabled person lives with relatives, he/she is probably not eligible for the benefit.

One advantage of being on GR is eligibility for the state medical assistance program which provides minimal primary and hospital care. However, GR recipients in the City of St. Louis can use only City health facilities for medical care.

General Relief is an aid to the homeless mentally ill who live in shelters or on the streets. Insufficient to provide housing, GR at least provides some spending money for personal needs.

The Committee recommends that **General Relief be raised to a level which would provide for basic needs; the maximum SSI standard is recommended.** The Committee also opposes the state's practice of deducting the amount of GR payments from a client's SSI check if approved.

Ross Snodgrass

POPULATIONS EXCLUDED FROM THE SAFETY NET

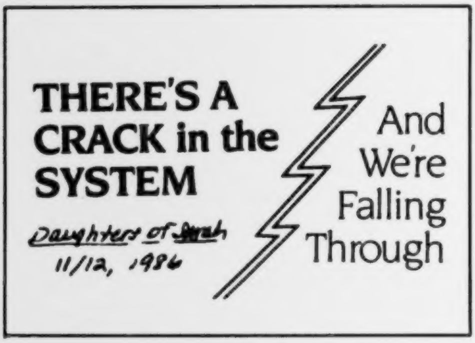
There is no cash assistance available to healthy, able-bodied men and women — no matter how destitute — unless they have dependent children. Nor are they eligible for Medicaid. (St. Louis Regional Medical Center treats indigent patients on a sliding scale and Columbia and Kansas City have public hospitals.)

Food Stamps is the only welfare program available to poor single people, If they meet the income and assets tests.

If a person loses a job and receives no unemployment compensation or if those benefits have run out, there is no public recourse for financial assistance. There are emergency shelters for the homeless which are run by private sources in most urban areas across the state and there are soup kitchens and food pantries also run by private agencies.

In the words of a worker at DFS, "Single individuals fall through the cracks."

The Committee recommends that a general relief program be included in Missouri's welfare package to **provide single men and women with a subsistence grant while seeking or training for new employment.**



THERE'S A CRACK in the SYSTEM

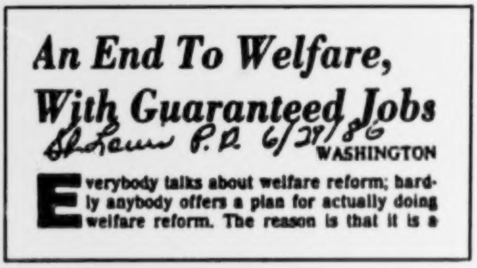
And We're Falling Through

Daughters of Sarah
11/12, 1986

PROMOTING WORK AND SELF-SUFFICIENCY: ISSUES AND OPTIONS

There appears to be a growing consensus around the country and no less so in Missouri that welfare reform should be focused on work initiatives. In response to the President's current welfare reform effort, the Democrats in Congress have created their own task force on welfare. Missouri Congressman Richard Gephardt, who chairs the Democratic Caucus, has called for more dollars for education, work incentives, and training programs for recipients. Acting Director of Missouri Division of Family Services William Siedhoff agrees, "Jobs are really the key issue . . . in breaking the welfare cycle." (KMOX Radio, "Welfare in America," August 20, 1986)

The Missouri WIN program has had some laudable success stories in moving people into well-paying jobs, but the program is low in coverage and funding and appears to focus on the most skilled and job-ready applicants only. A review of the WIN program follows a discussion of the major issues involved in promoting work and self-sufficiency. Several source papers appended to this report focus on this subject. Some of the concerns raised are described below.



An End To Welfare, With Guaranteed Jobs

St. Louis P.D. 6/29/86

WASHINGTON

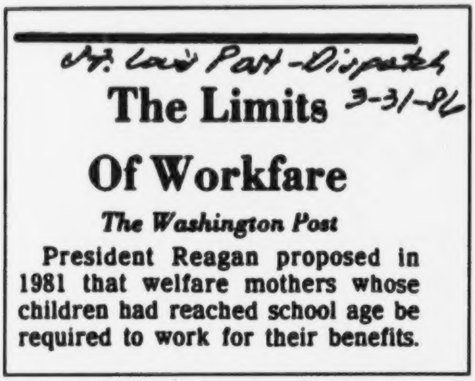
Everybody talks about welfare reform; hardly anybody offers a plan for actually doing welfare reform. The reason is that it is a

BASIC ISSUES: BONDAGE, BENEFITS AND BARRIERS

Workfare, the concept of welfare recipients working at an assigned job valued at minimum wage for a certain number of hours to pay off their benefits, has been promoted by the Reagan Administration since the 1981 OBRA legislation. The basic idea is punitive, requiring people to "pay back their debt" to society.

Wehrli's paper raises a number of concerns about workfare: what method does one use to determine the number of hours to be worked; what about the 40% of caretakers who are not a natural parent; there is no accounting made for the responsibility of the absent parent; workfare uses up the client's time, money, and energy which could be spent finding real work;

workfare participants have no job-related benefits and protection accorded to other workers; and workfare leaves unskilled, difficult-to-employ people in exactly the same situation. What workfare does do, she says, "is to create a better public image for welfare."



St. Louis Post-Dispatch

The Limits Of Workfare

3-31-86

The Washington Post

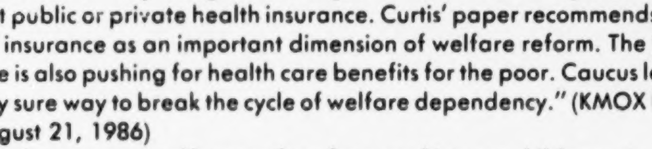
President Reagan proposed in 1981 that welfare mothers whose children had reached school age be required to work for their benefits.

Proponents of workfare argue that it provides the poor with training and experience so that they can get worthwhile work. Others say that inculcating work habits is more important than marketable skills. The results show that workfare jobs are similar to other public service positions, but that they do not increase the skills of participants marketably. Nor do they provide permanent, stable employment or job-related benefits.

Most of the papers suggest that welfare mothers make a decision to work or not work based on economic rationality. It doesn't make good sense to work at a low-paying minimum wage job when you lose Medicaid, Food Stamps, and AFDC cash benefits. Most minimum wage jobs do not provide health insurance or other benefits and protections that higher wage earners take for granted. The end result is that the woman and her children are worse off without welfare.

A WIN participant in talking about her pre-WIN experience said, "It wasn't feasible to have those (minimum wage) jobs." For an average $400 per month, no medical benefits and no real security, she would lose her Food Stamps, her Medicaid card and her AFDC grant. (KMOX Radio, "Welfare in America," August 21, 1986)

The loss of Medicaid is a major factor in welfare clients' decision to work or not work. Paula Willmarth, Acting Deputy Director of Income Maintenance of the Department of Social Services, agrees that there needs to be greater coverage. "The loss of Medicaid probably hurt clients most," she said in speaking of cases dropped from the rolls after OBRA in 1981.



2B Friday, July 11, 1986

St. Louis Post-Dispatch

The State Of Health Care

A recently released study commissioned by the Missouri Legislature documents the disturbing trends in the area of health care in the state. The report estimates that 1

to and cost of health care include more cuts in federal health dollars as well as a potential drop in the amount of free care that hospitals offer the indigent. The state's

According to the recent study on healthcare in Missouri by the Legislature, roughly 20% of the population is either medically indigent or at great risk of becoming so, including 617,000 residents without public or private health insurance. Curtis' paper recommends the provision of universal health insurance as an important dimension of welfare reform. The Democratic Task Force on Welfare is also pushing for health care benefits for the poor. Caucus leader Gephardt says it is the "only sure way to break the cycle of welfare dependency." (KMOX Radio, "Welfare in America," August 21, 1986)

Other concerns that prevent welfare mothers from working are child care, transportation and related job expenses. They need care for pre-school children and after-school care for those in school. They also need sick leave to respond to family illness. And if pay checks are not sufficient to cover transportation and job-related expenses, these need to be provided in another way. The greater restrictions after OBRA in 1981 placed a maximum deduction on child care expenses of $160 per child and a maximum deduction of $75 on work expenses. Before OBRA these were unlimited.

It is obvious that a major barrier to employment for welfare clients is the presence or absence of jobs. Low-skilled women with little or no work experience cannot compete effectively in a market of high unemployment. And as discussed above, it is not advantageous for welfare mothers to enter low-paying, dead-end jobs with no future.

Work initiative must surely include training to prepare clients to enter positions with a living wage and opportunity for advancement. If appropriate positions do not exist in the marketplace, a public service employment program may be needed, suggests Wehrli's paper. Curtis' paper identifies two creative approaches for addressing the shortfall of job opportunities. One would broaden the concept of work to include personal and community services, such as child care pools, food-buying cooperatives, and PTA work. The second would offer grants to welfare clients to start small labor-intensive businesses, such as sewing shops, child care services, and repair shops.

Missouri presently has three avenues of employment assistance for recipients of AFDC and Food Stamps. The Work Incentive Program (WIN) has mandatory registration for AFDC clients. The Job Training Partnership Act (JTPA) which replaced the CETA program in 1983 also sets target goals to assist a certain number of AFDC clients in its service areas. The Job Search component of the Food Stamps program is a mandatory requirement for all nonexempted Food Stamp clients. These three programs are described below, followed by a discussion of their impacts on client populations.

WORK INCENTIVE PROGRAM (WIN)

Description and Eligibility:

All AFDC applicants and recipients must register for the WIN program unless exempted by age, disablement, care of children under 6 years, distance from a WIN office, etc. The program presently operates only in the City of St. Louis and eight counties in the bootheel. It is operated jointly by the Division of Employment Security which is responsible for training and job referrals and the Division of Family Services which screens applicants and provides support services, such as child care and transportation arrangements.

For most AFDC recipients, the WIN program is a registration requirement only because of limited services, funding and job openings. For applicants considered job-ready the program provides five days of assessment and orientation, followed by two weeks of job club and then assignment to a team of caseworker, counselor and computer specialist to coordinate job placement. Archey's paper reports the experiences of 10 women in the WIN program.

JOB TRAINING PARTNERSHIP ACT (JTPA)

Description and Eligibility:

JTPA is operated by local government units and the Private Industry Council in 15 service delivery areas of the state. Each area develops its own mixture of training activities and services in response to local employment needs, including on-the-job and classroom training, work experience, remedial education, counseling, job development, and supportive services. A federal bill presently under discussion (Opportunities for Employment Preparation Act of 1986 — S. 2518/HR 5064) would increase pre-employment services available under JTPA to further welfare recipients' access to education and training.

By law, each service area must serve a percentage of economically disadvantaged persons in the area. Most have referral systems with the local DFS offices for screening of AFDC participants in the program

FOOD STAMPS JOB SEARCH

Description and Eligibility:

All Food Stamps applicants must participate in Job Search unless exempted by factors such as age, disability, student status, WIN registration, receiving unemployment benefits, working 30 hours or more, or caring for young children. After completing a background application and receiving an appropriate job classification, applicants are given referrals from the Employment Security job base through a computerized system available in all full-functioning Food Stamps offices. The applicant is required to follow up from 12 to 18 referrals or own leads in a six week period. A Job Search Plan is entered into the computer for each applicant. Failure to comply with the job search or to accept offered suitable employment will result in the loss of Food Stamps.

As a result of the Farm Bill legislation last fall, applicants will be eligible for $25 work-related expenses each month. As the program requires 50% state matching funds which will be requested from the Legislature in January 1987, the implementation of this benefit will be delayed at least a year in Missouri.

Is the safety net work-enhancing?

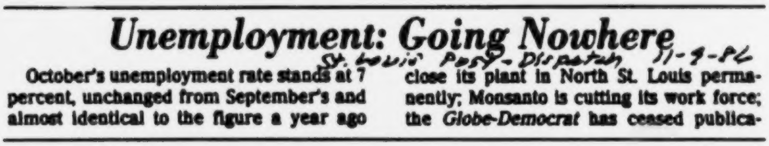
Opportunities for training and employment pale beside the number of clients eager to work. According to national studies, 30% to 50% of the AFDC caseload work at some time during the year. Only 25% have never been employed. For the Missouri average caseload of 66,000 in FY86, assuming that one-fourth to one-third of the heads of household are relatively employable by circumstance, desire, and experience, we are talking about training and job opportunities for 16 to 22 thousand AFDC clients.

The WIN program averaged about 2,950 employment placements, 2,160 job search participants, and 975 training opportunities annually for each of the past five years. In the three years of its existence, JTPA has placed an annual average of 1,350 AFDC clients in employment and assisted an annual average of 3,160 recipients.

One serious critique of the WIN program is that very short placements are not uncommon. A job lasting 30 days is considered permanent. The WIN experience does seem to allow a number of participants to move on to better-paying jobs, but as pointed out above, the program focuses on those most job-ready. One WIN success story involves a client sent to business college with tuition and supplies paid, along with a small monthly stipend. She graduated with a 3.98 grade average and has since quadrupled her previous $5,000 a year salary.

The Food Stamps Job Search requirement provides limited employment assistance. Many of the 8,255 persons finding jobs during FY85 probably found them on their own. Still it is an assist to help clients identify their work potential and provide a discipline for steady job search efforts.

Aside from additional funds for training, especially for the least employable recipients, the major issue is the availability of jobs, given the high unemployment rate and an economy changing toward lower-paying service jobs which are not viable for welfare mothers.



Unemployment: Going Nowhere

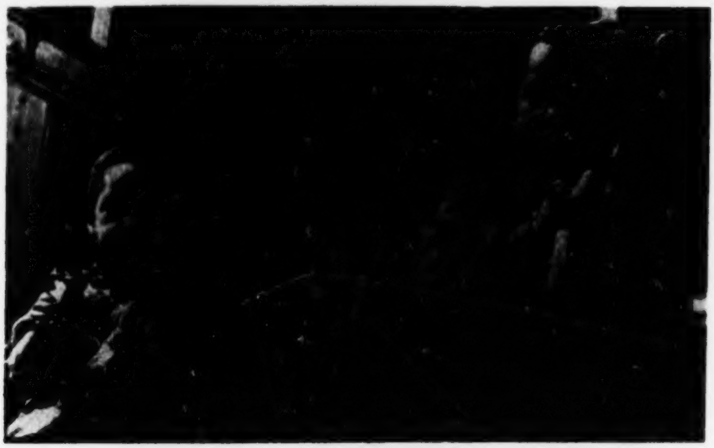
St. Louis Post-Dispatch 11-9-86

October's unemployment rate stands at 7 percent, unchanged from September's and almost identical to the figure a year ago close its plant in North St. Louis permanently; Monsanto is cutting its work force; the *Globe-Democrat* has ceased publica-

Major revisions in work incentives occurred as a result of the 1981 OBRA legislation. The disregard of the first $30 and one-third of remaining monthly earnings was limited to the first four months of employment and to be determined after other deductions. Also formerly unlimited exemptions for child care and work-related expenses were limited to $160 monthly per child and $75 monthly for expenses. The loss of Medicaid coverage and Food Stamps were even stronger disincentives to working a low-paying job.

In Missouri, Medicaid can be extended in two ways: if a client finds a job and loses eligibility for public assistance, that person can receive extended coverage for four months. If a client loses eligibility for public assistance solely because of the $30 and one-third disregard, that person is eligible for 9 months of extended coverage. The latter occurs rarely.

The WIN program does provide some child care, transportation and work-related expenses which enhance the ability of welfare mothers to participate. Supportive services of a more limited nature are provided through JTPA, depending on the particular programs of each service area.



Day care is also available for welfare clients through Missouri's Purchase of Day Care Program operated through DFS's Children's Services Section. Families pay a part of the daily fee through a co-payment arrangement, commonly $20 to $30 per week. But waiting lists for services are not uncommon. In the City of St. Louis at the beginning of FY86, 1000 children were waiting for day care. Program funding is limited and a freeze on services is imposed when funds run out. Families are left with the options of making other arrangements or dropping out of work-related activities.

The Committee strongly recommends that work initiatives and work incentives be increased for public assistance clients. Work incentives need to provide necessary benefits and make work more profitable than welfare. Before the 1981 earned income restrictions were imposed, about 30% of the Missouri AFDC caseload was employed; currently less than 9% are employed in part-time or full-time work.

It is also cost-effective to help persistent welfare users move into training and work. Long-term users of welfare consume the majority of welfare income. One major study showed that over a seven year period, 80% of all welfare income received went to long-term users, i.e., those on welfare 4-7 years. Only 20% of welfare income went to one-time and short-term users, i.e., those on welfare 2-3 years. (Rein and Rainwater 1978 page 523).

The Only Nation With No Child Care Policy

St Louis P. D. 1/5/86

With So Many Working Parents, Quality Day Care Should Be A National Priority

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Recommendations call for **expansion of the WIN program in all phases** — counseling, job search, training and especially provision of permanent employment and increased educational and training opportunities through JTPA as well as additional job slots through the Private Industry Council. Additional public revenues are needed at both state and federal levels and publicly-financed employment may be mandatory for providing sufficient jobs. The Committee's concern for the availability of employment reaches beyond welfare clients to all single unemployed persons in need of work. Appropriate training and pre-employment services as well as jobs should be accessible to all unemployed workers.

The Committee supports special efforts to help teenage mothers move from dependency to work. Such efforts not only benefit their quality of life, but shorten the longer than average stays on welfare experienced by teen mothers with out-of-wedlock births. According to a Missouri Department of Social Services report, teenagers with a first illegitimate child stay on AFDC 6.5 months longer than adults or teens with a first legitimate child. While 13% of all case openings were due to teenage AFDC recipients, nearly 21% of all AFDC payments are made to households with a teenage head. The percentage has increased from 9.5% ten years ago. (**Managing for Outcomes,** June 1984)

To facilitate the entry of welfare clients into the labor market, it may be necessary to subsidize low-paying jobs through continuing public assistance or through a wage adjustment which makes their jobs profitable. New ideas for employment opportunities include work credit and public subsidy for services performed in the community or neighborhood and special grants to help clients start their own labor-intensive small businesses.

The Committee strongly supports the **provision of health benefits for poor working families,** either through extended Medicaid coverage and a Missouri Med Assist program or through a universal system of health insurance at the federal level. Health care coverage is vital for the large-scale movement of welfare mothers into the marketplace. Day care services also need to be expanded to serve all poor families in need.

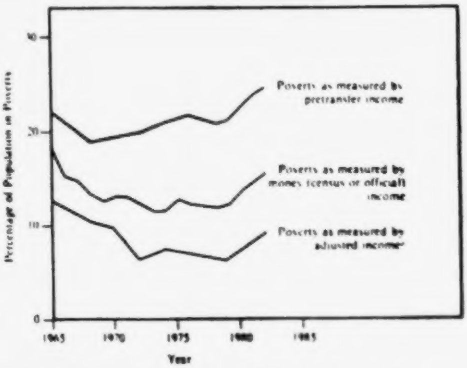
The Committee supports general measures increasing work incentives and improving opportunities for women, minorities and the poor. Increasing the minimum wage to at least $4.35 an hour (restoring its 1981 purchasing power), enforcing affirmative action programs, and promoting comparable pay and equal rights for women will all contribute to better employment opportunities for welfare clients and the poor.

POVERTY AND WELFARE: NATIONAL TRENDS

POVERTY ON THE RISE IN THE '80S

However one chooses to measure it, poverty has increased sharply in the 1980s after a considerable decline in the '60s and a fluctuating plateau in the '70s. The peak Census rate of 15.2% in 1983 has given way to lower 14.0% in 1985 attributed to a surge of growth in the economy and declining unemployment. This 1985 rate (the same as 1981) is higher than any other year since 1967 and places 33.1 million Americans (22.9 or over two-thirds of whom are white) below the poverty line. Economic growth is not likely to return poverty levels to the rates of the '70s in the forseeable future and even a decline in official unemployment to 5% would only bring poverty to its 1980 level of 13%. (Danziger and Plotnick 1986, pp. 38-39)

TRENDS IN THE INCIDENCE OF POVERTY AMONG ALL PERSONS ACCORDING TO THREE MEASURES OF INCOME



SOURCE: "Poverty in the United States: Where do We Stand Now?" *FOCUS*, Winter 1984, Institute for Research on Poverty. University of Wisconsin.

The sharpest increase in poverty occurred among our most volnerable population — children. Children replaced the elderly as the poorest age group in 1974 and the number of children in poverty has swelled since 1979. In 1983, 22% or about 13.8 million Americans under the age of 18 were living in poverty. The figures are almost one in two or 48% for black children. According to a recent Bread for the World background paper, **the United States is the only industrialized nation in the world where children comprise the largest segment of the poverty population.**

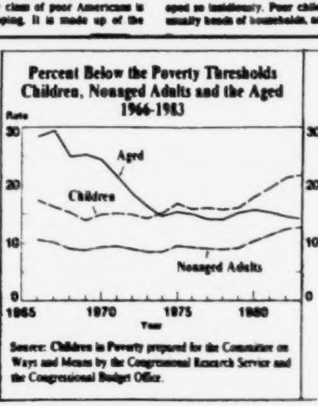
Tuesday, October 29, 1985 St. Louis Post-Dispatch

Our Impoverished Children

A huge new class of poor Americans is quietly developing. It is made up of the

oped so insidiously. Poor children are not usually heads of households, and thus their

Percent Below the Poverty Thresholds Children, Nonaged Adults and the Aged 1966-1983



Source: Children in Poverty prepared for the Committee on Ways and Means by the Congressional Research Service and the Congressional Budget Office.

Severe recession, the changing nature of the economy, and the welfare spending cuts of the Reagan Administration are blamed for the higher rates. These increases in poverty have been coupled with a growing inequality widening the gap between upper and lower income families — wider in 1984 than at any other time since the Census began collecting this information in 1947. The lowest fifth (20%) of families in income lost 7.6% of disposable income between 1980-1984 while the top fifth gained 8.7%. (Palmer and Sawhill 1984, p. 321.)

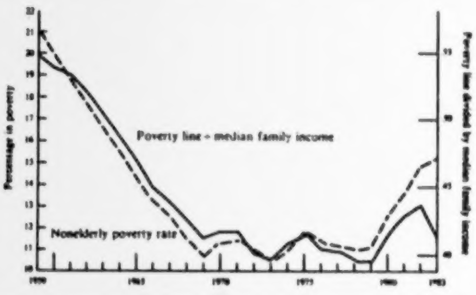
Manifestations of this increasing poverty are the growing legion of the homeless and burgeoning food lines and soup kitchens for the hungry. The drop in unemployment to around 7% at present has not diminished these needs, partly because of the way it is counted or undercounted. Also, half of the poor are working and counted as employed whether part-time or full-time. Full-time minimum wage jobs yield incomes at only 63% of poverty for a family of four. Lowered unemployment benefits and structural changes in the economy, trading higher-paying factory jobs for lower-paying service jobs also contribute to the increase in poverty.

GOVERNMENT WELFARE SPENDING: FAILED POLICY OR IMPAIRED VISION?

On the surface the facts look simple: welfare expenditures have risen enormously since the '60s and poverty declined sharply in the mid-60s, languished at just under 12% for most of the '70s, and is now back at mid-60s level. Did the War on Poverty fail? Charles Murray, author of **Losing Ground: American Social Policy, 1950-80** and the leading neoconservative voice quoted by the Reagan Administration and others, says a resounding yes! Murray hypothesizes that the poverty programs themselves have created poor people by encouraging poor people, especially blacks, to prefer welfare to work. He is especially concerned about the level of poverty before public transfers and benefits are counted toward income. Because this poverty increased from the late '60s to 1983, Murray assumes that the growth of benefits after 1965 led to the growth of underlying poverty. The reality is neither simple nor supportive of Murray's hypothesis.

Murray's analysis seems to miss the major happenings in the economy and, indeed, in welfare expenditures during the '70s. His critics contend that worsening economic factors during the '70s slowed the reduction in poverty — higher unemployment rates, inflation and slow growth in median family income. And, in fact, a comparison of **the official poverty line with median family income shows that the nonelderly poverty rate closely parallels the movement in general economic developments.** The divergence after 1982 reflects the recession, demographic changes, and lowered benefits after the 1981 federal spending cuts. (Ellwood and Summers 1986, p. 60)

Relationship of Official Poverty Rate among Nonelderly Persons to Poverty Line as a Fraction of Median Family Income, 1959-1983*



* Source: Poverty rate data from U.S. Bureau of the Census (Current Population Reports, ser. P-60); median family income data from U.S. House of Representatives Subcommittee on Oversight and Subcommittee on Public Assistance and Unemployment Compensation, *Background material on poverty* (1983, p. 84).

If underlying poverty grew during the '70s because the economy failed to deliver full employment and a high level of growth, why didn't the large increases in welfare spending push more people out of poverty? Federal expenditures for major income benefit programs increased 2 and 1/3 times between FY65 and FY82. (Danziger and Plotnick 1986, p. 36)

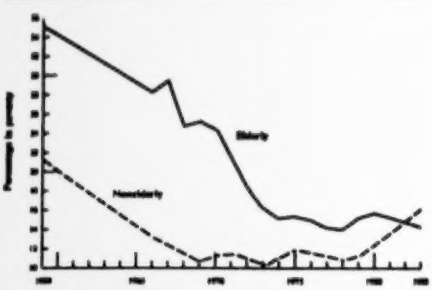
First, it should be pointed out that the elderly poverty rate in contrast to the nonelderly poverty rate registered a fairly consistent decline to the mid-70s and has remained fairly flat since. (Ellwood and Summers 1986, p. 59)

THE GROWTH OF MAJOR INCOME TRANSFER PROGRAMS, 1965–82

	US$ BILLIONS*	
	FY 1965	FY 1982
Social Security and Railroad Retirement	59.7	161.9
Veterans' Compensation and Pensions	15.0	13.4
Unemployment Compensation	7.5	21.9
Workers' Compensation	3.7	11.3
Medicare	0	51.1
Supplemental Security Income	6.4†	9.0
Aid to Families with Dependent Children	5.1	12.9
General Assistance	8	1.7‡
Low-Income Energy Assistance	0	1.7
Food Stamps	1	10.2
Public Housing	.7	5.7
Medicaid	4.2§	34.4
Total	101.2	335.2

SOURCE.—*Social Security Bulletin*, Annual Statistical Supplement, 1983.
* Constant 1983 dollars.
† Prior to 1974, state-run programs for the aged, blind, and disabled.
‡ Estimate.
§ Prior to 1966, vendor medical payments.

Official Poverty Rates for the Elderly and Nonelderly*



* Source: Official poverty statistics published annually by the U.S. Bureau of the Census (Current Population Reports, ser. P-60).

If welfare expenditures are broken down by their major beneficiary groups, it is easy to see why the elderly experienced positive movement out of poverty. Most of the expenditures for social welfare have been directed toward the elderly.

Expenditures on cash assistance programs targeted at the poor are relatively small in spite of the growth in these expenditures between 1960-1980. These expenditures are not large enough to have much effect on poverty. Cash assistance expenditures rose from $13.7 billion to $18.9 billion between 1970-1980, yet annual expenditures per person (nonelderly) increased only $93. Most of the growth was in the disability program which reaches 2 million persons. (Ellwood and Summers 1986, pp. 62-4)

Most of the growth in social welfare expenditures for the nonelderly came in social insurance programs — Unemployment insurance (UI), Workers' Compensation (WC), Social Security Disability and Medicare for the disabled. **These benefits go largely to the middle class.** About one-fourth of UI and WC expenditures go to people who would otherwise be poor — raising about 3 million more nonelderly people out of poverty. (Ellwood and Summers 1986, p. 65)

Costs of Major Public Assistance and Social Insurance Programs for the Elderly, Totally Disabled, and All Others (*Billions of Constant 1980 Dollars*)[a]

	1960	*1970*	*1980*
PROGRAMS FOR THE ELDERLY			
Social Insurance			
Social Security, Old Age, and Survivor's	$29.2	$80.7	$104.7
Public Employee and Railroad Retirement	9.7	21.9	44.3
Medicare[b]	0	18.8	29.1
Cash Assistance			
Supplemental Security Income (and Old Age Assistance)	4.5	4.0	2.7
In-Kind Benefits			
Medicaid[b]	0	4.1	8.7
Food Stamps	0	0.2	0.5
Housing[c]	0.1	0.5	2.3
PROGRAMS FOR THE TOTALLY DISABLED			
Social Insurance			
Social Security Disability[d]	1.6	6.3	15.4
Medicare[e]	0	0	4.3
Cash Assistance			
Supplemental Security Income (and Aid to the Disabled)	0.7	2.1	5.0
In-Kind Benefits			
Medicaid[b]	0	2.2	7.0
PROGRAMS FOR OTHERS			
Social Insurance			
Unemployment Insurance	8.4	9.3	18.9
Workers' Compensation	3.6	6.5	13.6
Cash Assistance			
Aid to Families With Dependent Children (AFDC)	2.8	10.3	12.5
General Assistance (GA)	0.9	1.3	1.4
In-Kind Benefits			
Medicaid[b]	0	3.7	7.5
Food Stamps	0	1.1	8.6
Housing[c]	0.4	1.0	4.7

[a] Source: Social Security Bulletin, Annual Statistical Supplement 1982 (Washington: U.S. Government Printing Office), Tables 2, 16, 19, 154, 155, 160, 172, 188, 200. Also Statistical Abstract 1984, Tables 640, 643, and Statistical Abstract 1979, Table 548.
[b] Medicare and Medicaid began in 1966.
[c] Estimate based on fraction of persons receiving housing assistance who are elderly. (See Bureau of the Census, 1982.)
[d] Social Security Disability Insurance program began in 1956.
[e] Medicare was extended to the disabled in 1974.

In-kind benefit programs such as Food Stamps, medical care and housing assistance grew considerably over the '70s. Their value is not counted in the official poverty rate. Average Food Stamps benefits are $40 per month and would not push many people out of poverty if included. but the total in-kind benefits have had a substantial impact in reducing underlying poverty.

In-kind benefits lifted four to six times as many persons out of underlying poverty as cash means-tested programs. The effect of the latter has been quite small because of very low benefits. More of those poor before benefits were lifted out of poverty by cash social insurance benefits than by other types. (Palmer and Sawhill 1984, p. 197)

ANTIPOVERTY EFFECTIVENESS OF MAJOR INCOME TRANSFERS, SELECTED YEARS, 1965–1982

	Percentage of Pretransfer Poor Persons Moved Out of Poverty by Various Public Transfers				
Year	*Cash Social Insurance Transfers*	*Cash Means-Tested Transfers*	*All Cash Transfers*	*In-Kind Transfers*	*All Transfers*
1965	23.5	3.3	26.8	16.4	43.2
1976	37.6	6.2	43.8	28.1	71.9
1978	37.6	5.9	43.5	NA	NA
1980	35.2	8.5	43.7	NA	NA
1982	33.8	3.8	37.6	25.8	63.3

SOURCE: "Poverty in the United States: Where Do We Stand Now?" *Focus*, Winter 1984, Institute for Research on Poverty, University of Wisconsin.
NA = not available

The net result of federal welfare spending is that a great many people were lifted out of poverty who would not have been without it. About two-fifths of the poor (before benefits) were lifted out of poverty through various transfers in 1965. The proportion was closer to three-fourths during the '70s at the height of spending. The proportion dropped to under two-thirds by 1982. Welfare spending has obviously played a significant role in keeping the poverty rate during the '70s close to 12% when the economy was performing sluggishly. Where more money was spent — as in the case of the elderly — a great impact resulted in lowering the poverty rate.

A competing voice to Charles Murray's **Common Ground** comes from Michael Harrington, who 22 years after **The Other America,** wrote **The New American Poverty** in 1984. Harrington contends that the economic opportunity programs of the '60s never reached the takeoff point in federal spending normal to most federal programs. In other words, we never spent the monies initially envisioned — because of the expenditures for the war in Viet Nam. He sums up the War on Poverty as "the savior that never was, became the scapegoat that is."

In **The New American Poverty,** Harrington is more concerned with the U.S. entrance into the global economy in the '70s and resultant closing of basic industries and loss of manufacturing jobs — 30% of current jobs could be lost by the year 2000 without a creative response to the present crisis. He noted that poverty grew more in intact families in 1982 in spite of the demographic changes resulting in more female-headed households. The new poverty affects the working class. Harrington cautions against the "impaired vision" of Americans in the '80s who are being forced to deal with limits. He fears that the resultant turning inward may blind us to the absolute suffering of the poor.

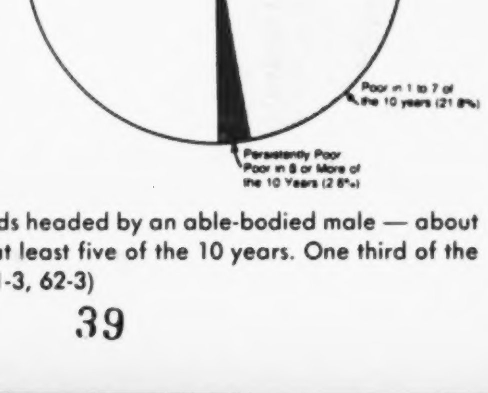
The Children's Chronicle
October 1985

THE CHANGING POOR: WHY PEOPLE MOVE INTO AND OUT OF POVERTY

We know a great deal about the dynamics of poverty today because of a unique longitudinal study — the Panel Study of Income Dynamics (PSID) — at the Survey Research Center of the University of Michigan. Every year since 1968 the heads of 5,000 American families have been interviewed about their income, work and life situation. In contrast to the cross-sectional snapshots of poverty taken annually by the Census Bureau which present a stable picture over time, the PSID shows a continually changing pattern.

Only a little over one-half of the individuals living in poverty in one year are found to be poor in the next, and considerably less than one-half of those who experience poverty remain persistently poor over many years. (Duncan 1984, p. 3)

INCIDENCE OF PERSISTENT POVERTY IN THE UNITED STATES, 1969–1978



Another surprising finding is the fact that one-fourth of all Americans lived in families with incomes below poverty in at least one of the years between 1969-1978. The poor are not some distant group, but are likely to include nearby neighbors, if not ourselves. The temporarily poor are similar to the population as a whole, with no sharp distinguishing demographic characteristics. (Duncan 1984, p. 42)

Despite the turnover in poverty, there is a small group of people — 2.6% of the population who are persistently poor (in 8-10 years of the study). One-third of these persistently poor are elderly; 65% of the remaining two-thirds live in households headed by woman and three-fourths of these women are black. About one-sixth of the persistently poor live in households headed by an able-bodied male — about half of which worked for substantial periods in at least five of the 10 years. One third of the persistently poor are rural. (Duncan 1984, pp. 51-3, 62-3)

St. Louis Post-Dispatch 5-21-86

Poverty Is Unpleasant, Persistent

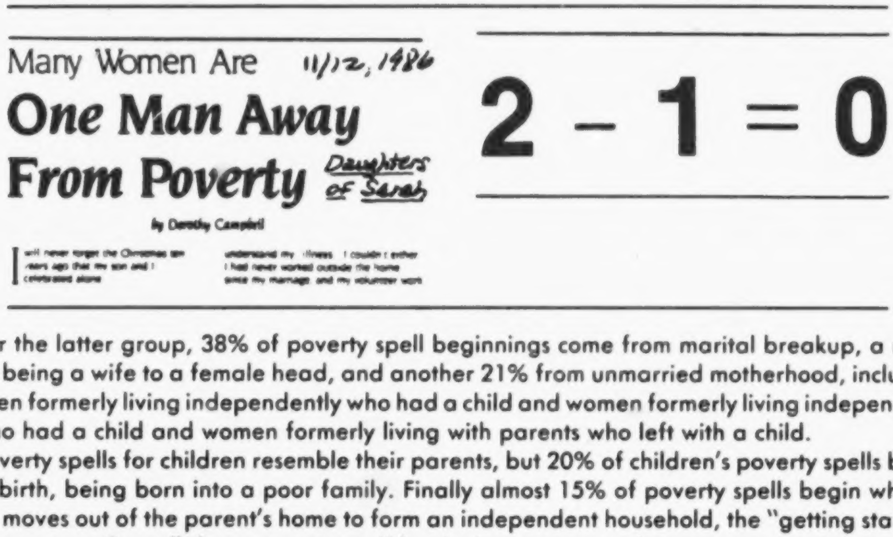
Poverty is not a pleasant subject; it's hard to solve and never goes away. Most of us would prefer to let others — the government and chari-

Although the persistently poor comprise a surprisingly small portion of the population, they comprise a large portion of the poverty population at any point in time. A comparative analogy would be a hospital where the chronically ill occupy a sizable number of hospital beds while their numbers in the total hospital population are quite small. The long-term poor comprise a large portion of the person-years of poverty and consume the majority of resources aimed at aiding the poor. One study using the PSID data models "spells" (episodes) of poverty to gain insight into its dynamics.

For those beginning a spell of poverty, about 45% of the spells will end in one year; 70% are over in three years and only 12% will last 10 years or more. However, for those who are poor at a particular point in time — such as the Census Bureau's cross-sectional surveys — more than 50% will be in a spell of poverty lasting 10 years or more. (Bane and Ellwood 1985, p. 12)

The largest single factor precipitating a spell of poverty was a decline in the household head's earnings, accounting for 38% of all spells. It accounted for 60% of spells for male-headed households with children, but only 14% of the spells in female-headed families. Earnings changes of wives and other household members accounted for another 11% of all spells.

The transition to a female-headed family precipitated a move into poverty for about 11% of all beginnings and 59% of the beginnings for female heads with children.



Many Women Are 11/12, 1986

One Man Away From Poverty

Daughters of Sarah

by Dorothy Campbell

2 – 1 = 0

For the latter group, 38% of poverty spell beginnings come from marital breakup, a move from being a wife to a female head, and another 21% from unmarried motherhood, including women formerly living independently who had a child and women formerly living independently who had a child and women formerly living with parents who left with a child.

Poverty spells for children resemble their parents, but 20% of children's poverty spells begin with birth, being born into a poor family. Finally almost 15% of poverty spells begin when a child moves out of the parent's home to form an independent household, the "getting started" phenomenon. Overall these poverty spell beginnings present a heterogeneous picture of the poor. (Bane and Ellwood 1985, pp. 1-23)

Ending events moving people out of poverty are dominated by earnings increases, closing over 50% of poverty spells for household heads. While they are more important for male heads — making up 64% of ending events of male-headed families with children — they also account for 33% of ending events of female heads with children. Earnings increases comprise a larger share of the ending events in single households as might be expected.

Earnings of wives and other household members are quite important and often overlooked, ending 23% of all poverty spells. Overall, earnings changes account for 75% of all endings (in contrast to about half of all beginnings).

While not as important as work, marriage accounts for 26% of movements out of poverty for female heads with children. Another 14% of all poverty spells were ended by increases in welfare payments, accounting for 19% of the movements out of poverty for female heads with children. It should be noted, however, that the definition of poverty in this study is after benefits, so there is no indication of the effects of benefits on underlying poverty. Also the study excluded persons over 64 and, thereby, the effects of Social Security in moving older people out of poverty.

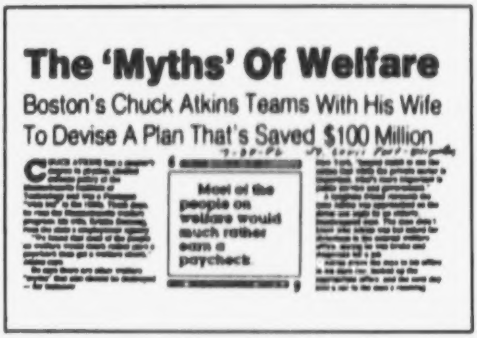
Studies based on the PSID data show that poverty is neither a stable nor a homogeneous phenomenon. One-fourth of the total U.S. population moved into poverty at least once in the 10-year study period. Causes of poverty are also diverse with family structure playing a significant role along with the dominant role of earnings increases. While this data was gathered largely during the '70s, the dynamics should carry over into the '80s and, perhaps, be more pronounced with the continuing demographic change toward female-headed households and the 1982 recession and structural changes in the economy,

CONFRONTING THE WELFARE STEREOTYPES: DEPENDENCY, FAMILY STRUCTURE AND WORK

Mythical views of welfare continue to persist in the public mind. For example, the notion that most welfare clients are long-term and intergenerational; or that female clients have many children and that welfare induces an increase in children; and that welfare provides disincentives to work — a Charles Murray hypothesis raised above. Recent research suggests that there is more falsehood than truth in these persisting stereotypes.

Just as a quarter of all Americans fell below the poverty line in at least one year between 1969-1978, one-fourth of the population received welfare in at least one of those years. Welfare here includes Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI), other cash assistance, especially General Assistance, and Food Stamps. For many families, Food Stamps was the only form of welfare; excluding them from consideration would drop the proportion of at least one year recipients from one-fourth to one-sixth.

Contrary to popular belief, there is considerable turnover in welfare programs with only a small percentage of the population classifiable as welfare dependent. About one-half of clients received welfare in only 1 or 2 years of the ten-year period under study; one-third received welfare in 3 to 7 years; and less than one-sixth in 8 or more years. About half of the latter group (2% of the population) was classified as persistently welfare dependent — receiving benefits amounting to over 50% of the family's income. (Duncan 1984, p. 77)

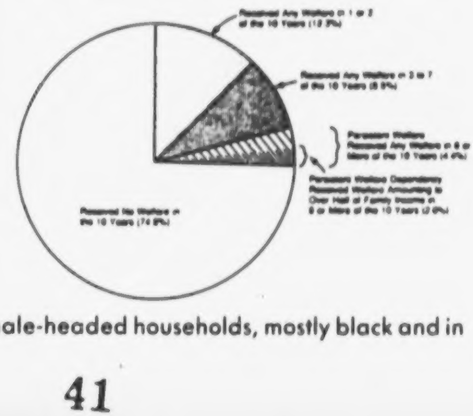


The 'Myths' Of Welfare

Boston's Chuck Atkins Teams With His Wife To Devise A Plan That's Saved $100 Million

Most of the people on welfare would much rather earn a paycheck

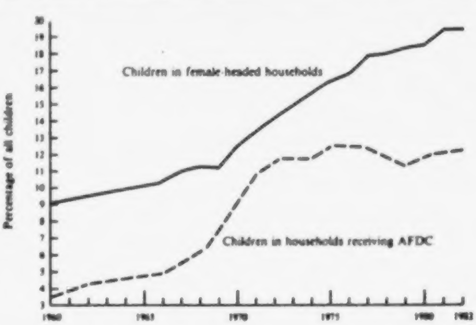
Incidence of Welfare Receipt and Persistent Welfare Dependency in the United States, 1969-1978



Persistent welfare users are concentrated in female-headed households, mostly black and in urban areas. However, less than half (44%) of persons persistently dependent on welfare lived in families headed by a nonelderly black woman in 1978.

One study of the PSID data identified three broad groups within the AFDC female-headed population. About 20% were persistent users "locked-into" the welfare system; about one-half were short-term clients using welfare to cope with an economic crisis caused by divorce, death, illness or similar crisis; and the remainder relied on AFDC as one of a variety of income sources, rarely including earnings from work. The larger, second group was characterized as "digging out" and the third, most controversial group as "maximizing". (Rein and Rainwater 1978, pp. 529-30)

Comparative Percentages of Children in Female-Headed and AFDC Households, 1960-1982*

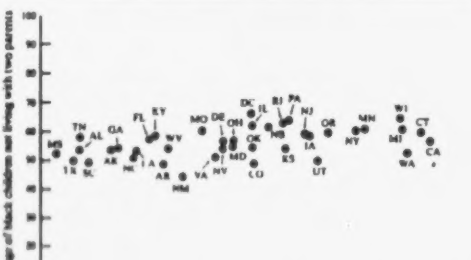


* Source: U.S. Bureau of the Census (Current Population Reports, ser. P-20), *Household and Family Characteristics*, various years; *Social Security Bulletin, Annual Statistical Supplement*, various years.

The negative effects of welfare on family structure is another stereotype unsupported by recent research. Welfare is often blamed for encouraging the formation and perpetuation of single-parent families. A comparison of numbers of children in female-headed households with children in AFDC households belies this belief. While the portion of children in female-headed households started rising dramatically in 1969 and continuing in the '80s, the proportion of children in AFDC households also rose dramatically until the early '70s and then leveled off. While family structures were changing most rapidly, the proportion of children on AFDC was holding fairly constant. The change was even more dramatic for blacks, with the number of black children on AFDC actually falling by 5% between 1972-1980. It is likely that the decreasing proportion of children receiving benefits during the '70s was due to declining real benefits and therefore lessened eligibility. Whatever the explanation, it is unlikely that AFDC can be credited with the transformation of family structures occurring in the '70s. (Ellwood and Summers 1986, pp. 68-9)

An investigation of birth rates during the '70s also discounts a causative role for AFDC in unmarried births. The birth rate for unmarried black women fell 13% between 1970 and 1980 while the birth rate for unmarried whites rose by 27%. (Bane and Ellwood 1986 forthcoming, cited in Ellwood and Summers 1986, p. 69)

Relation of State AFDC Benefit Levels to Proportion of Black Children in Single-Parent Households, 1980*



* Source: State volumes of the 1980 census; AFDC benefit amounts from U.S. House of Representatives Subcommittee on Oversight and Subcommittee on Public Assistance and Unemployment Compensation, *Background material on poverty* (1983, p. 82).

As benefit levels vary greatly across the states (in 1980, $120 per month for family of four in Mississippi compared to $563 in California or New York), another approach would be to compare the effect of varying benefits on family structure. There is no apparent relationship between the proportion of black children living in single-parent families and AFDC benefit levels across states. Higher benefits do not induce more children. The same lack of relationship holds for divorce rates and out-of-wedlock birth rates. AFDC seems to have far less impact on family structures than commonly believed. (Ellwood and Summers 1986, pp. 70-1)

Charles Murray's basic hypothesis and a viewpoint shared by many is that welfare discourages incentives to work. While there are undoubtedly some reductions in labor supply, the data do not strongly support this conjecture. One review of the literature concerning the effect of labor supply concludes that the major income transfer programs have reduced annual hours of work in the economy by about 4.8%. (Danziger and Plotnick 1986, pp. 43-4)

Murray's contention that poverty (before benefits are counted) remained high in spite of increased welfare spending (21.3% in 1965 compared with 20.2% in 1978) needs to be looked at closely. His assertion that blacks made little progress against poverty during peak welfare spending is not true.

A breakdown of poverty by demographic group contradicts his view. Nonwhite male heads of households with children experienced the sharpest decline in poverty of all groups — from 41.2% in 1965 to 17.9% in 1978. (Danziger and Plotnick 1986, pp. 41-2)

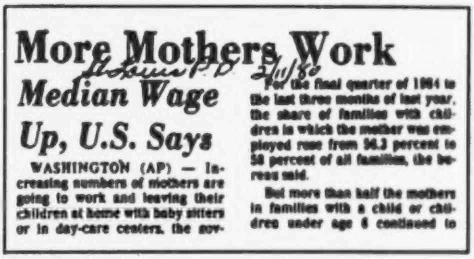
Deteriorating economic conditions are the major factor in the increases in poverty for most groups between 1978 and 1984. As the growth of real cash and in-kind benefits came to a halt after 1978, greater work disincentives from welfare cannot be blamed. The recent increase in official poverty resulted from the double negative impact of rising real poverty and the declining effectiveness of welfare benefits in combatting it. (Danziger and Plotnick 1986, p. 43)

PERCENTAGE OF THE POPULATION IN PRETRANSFER POVERTY, BY DEMOGRAPHIC GROUP OF HOUSEHOLD HEAD, 1965–84

Demographic Group (by Characteristic of Family Head and Presence of Children)	1965 (1)	1978 (2)	1984 (3)
Age under 65:			
White male, with children	10.6	7.9	11.6
Nonwhite male, with children	41.2	17.9	22.6
White female, with children	48.5	45.7	48.2
Nonwhite female, with children	80.0	70.3	67.0
White, unrelated individuals and childless families	11.4	11.6	13.0
Nonwhite, unrelated individuals and childless families	27.4	22.4	25.2
Age 65 and over:			
White	57.6	54.3	50.5
Nonwhite	72.3	69.8	65.6
All Persons	21.3	20.2	22.9

SOURCE.—Tabulations by authors from the 1966 Survey of Economic Opportunity for 1965, and from the March 1979 and 1985 Current Populations Surveys for 1978 and 1984.

The effects of welfare on reducing work incentives for female-headed families is a complicated issue. Society gives double messages to young mothers in encouraging them to stay at home and raise their children and at the same time, expecting them to be productive workers, providing for their families' needs. The findings reported above that 33% of female-headed households move out of poverty through earnings from work and that 50% of AFDC clients are short-term users leaving within two years suggest that **welfare does not necessarily discourage work, but rather is a bridge to employment.**



More Mothers Work

St Louis P.D 2/11/80

Median Wage Up, U.S. Says

WASHINGTON (AP) — Increasing numbers of mothers are going to work and leaving their children at home with baby sitters or in day-care centers, the gov-

For the final quarter of 1984 to the last three months of last year, the share of families with children in which the mother was employed rose from 56.3 percent to 58 percent of all families, the bureau said.

But more than half the mothers in families with a child or children under age 6 continued to

Following the Omnibus Budget Reconciliation Act of 1981 (OBRA) which made major changes in the AFDC program, particularly regarding the earned income of recipients, the General Accounting Office (GAO) conducted an impact study of the changes for the Congress. OBRA contained 22 provisions relating to the AFDC program, the most important (for the study) were: limiting the $30 and 1/3 disregard of remaining earned income to 4 months and applying it after the disregard of child care and work expenses; limiting the gross income of an eligible family to 150% of a state's need level; limiting to $75 the previously unlimited disregard of work expenses; limiting to $160 per child the previously unlimited disregard of child care expenses; tightening the limitation on allowable assets from $2,000 per person to $1,000 per family; and including a portion of the earned income of step-parents residing with dependent children in determining eligibility. (GAO 1985, p. 2)

GAO estimates that OBRA decreased national monthly caseloads by 442,000 cases and reduced monthly outlays by $93 million. The results of its investigation showed that closed cases were not more likely after OBRA than before to become unemployed and return to AFDC. At the same time, closed cases experienced significant loses in income — $109-189 less monthly 1½ to 2 years later. Closed cases also lost Medicaid with some reporting that they had to forego dental and medical care. GAO also found that cases not closed — both earners and nonearners —

experienced no significant changes in the likelihood of employment. Thus, in the absence of a work disincentive and the fact that the typical client had been employed full-time before losing AFDC, GAO concludes that wage levels **and employment opportunities are at least as important as program incentives for enabling AFDC clients to gain independence from welfare.** (GAO 1985, pp. iii-vi)

The effects of OBRA seem to have made life grimmer for the working poor and no less grim for the nonworking poor AFDC clients. The GAO study suggests that **economic opportunities rather than welfare payments per se are the main determinant in the work behavior of female-headed households.**

Bombed Out And Empty St. Louis Post-Dispatch 10-28-86

Coping With The Ghetto

Problems Arising From Black Isolation Can Be Helped By Acculturation

By Nicholas Lemann

[redacted]here is an air almost of self-con- middle class does not live in the ghettos.

If the underclass is defined as a group prone to out-of-wedlock childbirth, birthrate, and the crime rate and the dropout rate, really soared; what sociologists call social disorganization had set

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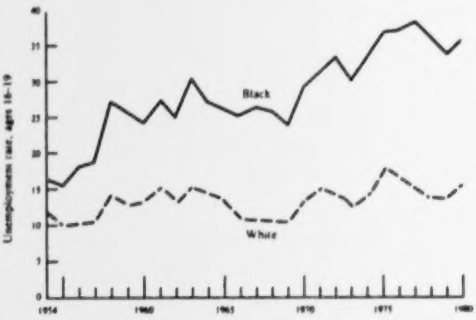
One group with unemployment which cannot be blamed on welfare (because they do not receive any — other than Food Stamps, if living independently) is black youths. The lack of disincentives to work has certainly not helped black youth unemployment which is increasing, pervasive and unrelated to geography. In 1980, 32% of out-of-school black youths in central cities had jobs; 38% in the suburbs had jobs and 35% in nonfarm rural areas had jobs. It is also interesting to note that employment rates of black youths do not vary significantly with family structure. In 1975, 23% of black youths living in two-parent families had jobs and 21% of those living with one parent had jobs. (Ellwood and Summers 1986, pp. 74-5)

Figure V. Unemployment among Teenaged Black and White Youth, 1954-1980*



* Source: U.S. Bureau of Labor Statistics, *Handbook of Labor Statistics* (1984)

One provision of OBRA permitted states to experiment with various work initiatives, including workfare or mandatory work in return for welfare benefits. Many states restructured the Work Incentive Program (WIN) to create a variety of both voluntary and mandatory programs. Job search is often the major activity. The Manpower Demonstration Research Corporation (MDRC) worked with eight states in 1982 to design three-year, large-scale evaluations involving control groups to measure the success of these programs. Final reports have been completed for evaluations of programs in San Diego, Baltimore and Arkansas; others are still in progress.

Welfare work programs called popular with recipients and good for American taxpayers

Post Tribune 3-26-86

WASHINGTON (AP) — Putting welfare recipients to work is popular with the workers and good for the taxpayer, according to a private study that says states should but formal "job search" efforts to line up work for the welfare applicants or recipients.

"The research suggests that it is feasible for states to operate a savings when many people are involved or if the change in behavior persists over time."

The New York-based non-profit research firm was founded by the

A major finding of the completed evaluations is that employment impacts are greater for participants who would be considered the most disadvantaged or least employable in terms of previous work experience. The greatest increases in employment and earnings (compared to control groups) were found among women who had the least recent employment experience before enrolling in the programs. More job-ready participants had higher levels of post-program employment, but less percentage increase.

This finding relates to the dynamic of the welfare population whereby many persons find work on their own in a relatively short time. Traditional measures of success would count many clients who would have found work on their own, apart from special assistance. The advantage of these new programs is that they are helping less qualified clients who probably would not have found work on their own. Given the fact that long-term clients comprise the largest portion of the welfare population at any point in time and require the most resources, programs that aid their self-sufficiency are both worthwhile and cost-saving even if the gains are small in comparison to more experienced clients.

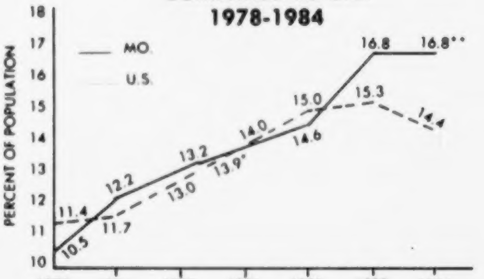
The **evaluations also showed that the poor want to work and are eager to participate in work opportunities.** As one field researcher observed, "These workfare programs did not created the work ethic, they found it." (Gueron, MDRC 1986, pp. 14, 20-2)

POVERTY AND WELFARE: RECENT TRENDS IN MISSOURI

INCREASING POVERTY, ESPECIALLY AMONG MISSOURI'S CHILDREN

Following the economic recession in 1982, Missouri's poverty rate jumped significantly higher than the national average to 16.8%, a 38% increase over the 12.2% rate in 1979 which was reported in the 1980 Census. There were 834,960 Missourians living below poverty level incomes in 1983. In spite of the economic recovery and a drop in the national poverty rate in 1984, Missouri's rate continued to remain at the high 1983 level (based on the Census Bureau's estimation that poverty in the Midwest remained unchanged).

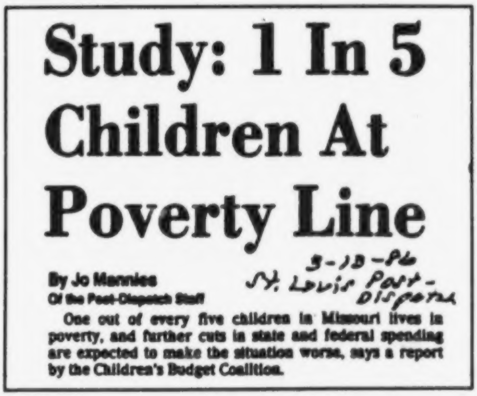
POVERTY RATE IN MISSOURI COMPARED TO U.S. 1978-1984



*1981 Unavailable and assumed half-way between 1980-1982
**1984 Assumed contact based on Census Bureau's estimation from current population survey (CPS) that poverty in midwest remained unchanged.
Source: U.S. Bureau of the Census

Following the national trend, Missouri's poverty is concentrated in the old and the young. While comprising 13% of Missouri's population in 1980, the poverty rate for adults 65 and older was 16%. The current rate is not known, but there has been a decrease in the rate for older persons nationally since 1980. Poverty among children, however, is a growing phenomenon with over 20% (one in five) of Missouri's children living in poverty in 1984 — a total of 278,300 — according to the Census Bureau. The 1984 rate reflects an increase of 40% over the 1980 Census rate of 14.6%.

About one in eight Missouri families with children lived below poverty level in 1980, including 14% of families with young children under six, 21% of families with pre-and school-age children, and 11% of families with school-age children only. Nearly one-half or 47% of these poverty-level families were headed by a woman. About three-fifths were headed by a white woman and two-fifths by a black woman.



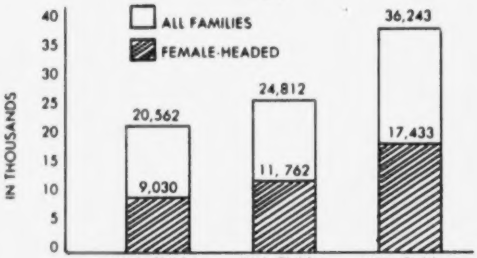
Study: 1 In 5 Children At Poverty Line

3-18-86
St. Louis Post-Dispatch

By Jo Mannies
Of the Post-Dispatch Staff

One out of every five children in Missouri lives in poverty, and further cuts in state and federal spending are expected to make the situation worse, says a report by the Children's Budget Coalition.

MISSOURI FAMILIES WITH CHILDREN BELOW POVERTY 1980



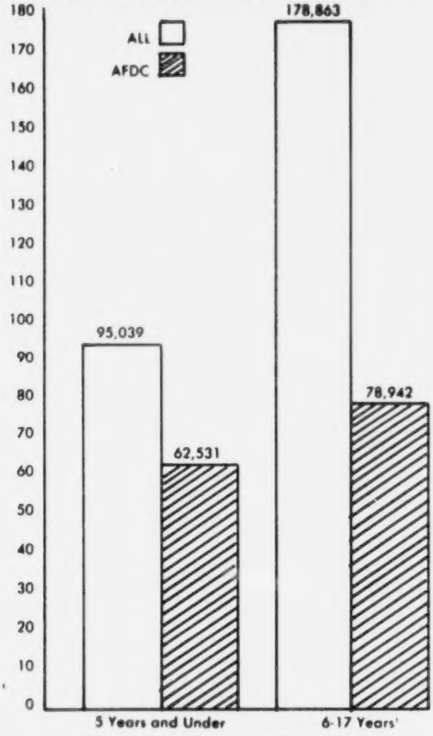
Source: US Cenus of Population

Poverty among Missouri's children is evidenced by their numbers among the homeless, the hungry, the abused and neglected, and the mentally ill. **About one-half of the the total persons requesting emergency shelter in the St. Louis area are children** — a mother with two children is the typical family unit requesting shelter. Almost 56% of the persons receiving Food Stamps in Missouri are under age 20 or about 210,000 children and young adults. More than 32,000 abused and neglected children are on the

Division of Family Services caseload. More than 10,000 children are living in foster homes and residential care facilities under the supervision of state agencies. Over 9,000 children and youth were served through the Department of Mental Health's Division of Psychiatric Services in FY85. Many hundreds and thousands of children in need of shelter, food and supportive services do not receive them (KMOX Radio, "Welfare in America," August 19, 1986; Children's Budget Coalition 1986, p. 1)

Aid to Families with Dependent Children (AFDC) is Missouri's primary welfare program to aid poor families. At least 52% of Missouri's children in poverty received some assistance through AFDC programs in 1984, either through the basic program for single parents or caretakers with dependent children (131,171) or the AFDC-UP unemployed parent program (8,318), or through AFDC-FC foster care (1,984). For children five years and under the proportion receiving assistance was about two-thirds.

MISSOURI CHILDREN IN POVERTY 1983
CHILDREN RECEIVING AFDC* 1984**



'A small number of 18-19 year olds receive AFDC
*Includes AFDC, AFDC-UP, AFDC-FC
**Highest average caseload since 1981
Source: U.S. Census
Monthly Administrative Analysis
And Department of Social Services

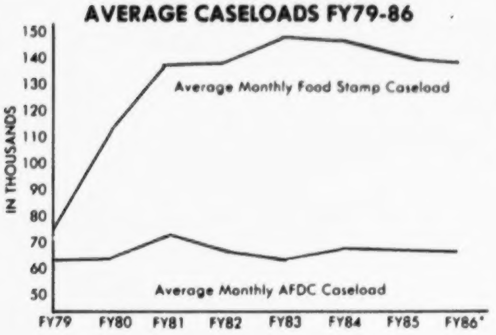
Adrienne Rosen

Of the 199,000 persons receiving AFDC benefits at the present time, two out of three are children. Other demographic characteristics of AFDC client household heads show that just over one-half are white; just under one-half are black. The AFDC unemployed parent program heads are 92% white. Average number of children in families served is 2 for the basic program and 2.3 for the very small unemployed parent program. Small families comprise the bulk of all cases and pre-school children receive most of the benefits. For the basic program, 86% of the client heads have no other income. About 9% receive some earnings — 8% of which is irregular. For the unemployed parent program, 70% of client heads have no income and over 22% receive some earnings — about 20% of which is irregular.

MISSOURI WELFARE PROGRAMS: RISING NEED AND FALLING CASELOADS

While poverty and need were increasing most in Missouri, cash assistance programs were declining in caseloads served. As a result of the federal Omnibus Budget Reconciliation Act of 1981 (OBRA), major changes occured in Missouri's AFDC program, the largest cash assistance program in the state. These changes (described in the previous chapter) placed greater restrictions on earned income and are responsible for the drop in caseloads after 1981. Immediately following OBRA, 9,227 cases were closed and 9,153 cases had benefits reduced in Missouri. Before the cuts, basic AFDC registered nearly 73,000 cases on the average in FY81. After a low dip to about 64,000 average cases in FY83, the current average for FY86 is just over 66,000 cases. It is important to keep in mind that this is a fluctuating caseload rather than the static picture portrayed in a graph. Turnover is high and the average stay on AFDC is only 17 months, with six out of 10 families receiving benefits for a year or less. The actual number of AFDC recipients is quite small — about 4% of Missouri's population.

AFDG AND FOOD STAMP PROGRAMS IN MISSOURI AVERAGE CASELOADS FY79-86



*AFDC through April's Food Stamps through March
Source: Income Maintenance Caseloads
MO Department of Social Services

reported in the previous chapter, poverty actually increased more rapidly in two-parent families in the early '80s than in single-parent households. Most of the families served in the AFDC-UP program live in outstate Missouri — about 17 out of 20. This may also reflect the increase in poverty in rural areas in recent years.

The General Relief program which provides minimal cash assistance to single, disabled persons also experienced a sharp decline

DEMOGRAPHIC CHARACTERISTICS OF MISSOURI AFDC PAYEES

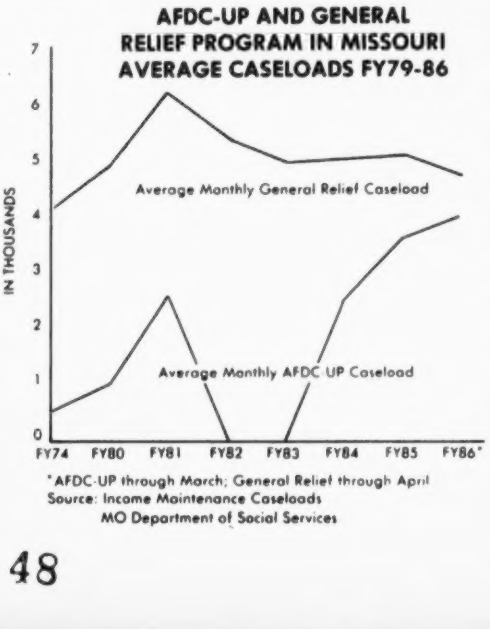
MAY 1986

Heads of Household	AFDC (60,787)	AFDC-UP (4,170)
Sex	96.6% Female	84.1% Female
	3.4% Male	15.9% Male
Race	51.2% White	92.0% White
	48.2% Black	7.4% Black
	0.7% Other	0.6% Other
Average Age	25-29 Years	25-29 Years
Number of Children	2.0 Average	2.3 Average
	2 or Less - 75% of Caseload	3 or Less - 84% of Caseload
	3 or Less - 91% of Caseload	4 or Less - 94% of Caseload
Age of Children	6 Years - Median	5 Years - Median
	6 & Under - 51% of Total	5 & Under - 52% of Total
Source of Income	0.6% Flat Salary	1.4% Flat Salary
	0.2% Minimum Wage	0.3% Minimum Wage
	7.9% Irregular Income	20.6% Irregular Income
	5.6% Other Income/Benefits	7.7% Other Income/Benefits
	85.7% No Income	70.0% No Income
Amount of Income	$0 Median	$0 Median
	$0-$50 Average	$50 Average

Source: Income Maintenance Section
Missouri Department of Social Services

The much smaller AFDC-UP unemployed parent program suffered relatively more severely in the 1981 budget cutback. It was completely suspended for two years, dropping all 3,169 families from the June 1981 caseload. It was reinstated in FY84 and its rolls have continued to grow to the present FY86 average of just over 4,000 cases in spite of economic recovery and declining unemployment. As

AFDC-UP AND GENERAL RELIEF PROGRAM IN MISSOURI AVERAGE CASELOADS FY79-86



*AFDC-UP through March; General Relief through April
Source: Income Maintenance Caseloads
MO Department of Social Services

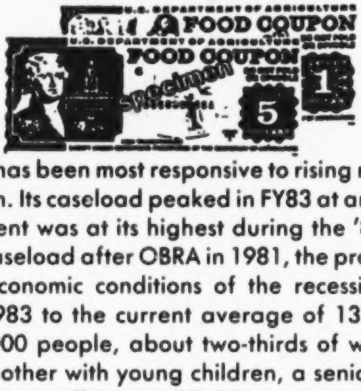
after the 1981 budget cutback. The average caseload in FY81 or 6,184 persons fell sharply in FY82 and has continued to decline slowly to the current average of just over 4,000 cases.

The declines in the Supplemental Security Income programs in Missouri (not graphed) which provide assistance to the elderly, blind and disabled have been the most severe. The basic SSI program registered a steady decline from 19,974 cases averaged in FY79 to 7,578 in FY86 — a 62% decline in caseload. The SSI/SP state supplementation program declined even more sharply from 25,533 average cases in FY79 to 9,121 cases in FY86 — a 64% decline in caseload.

Why were programs being cut back just at the time that poverty was increasing? The new federalism of the Reagan Administration produced deep cuts in social programs in the 1981 OBRA legislation. As major welfare programs are largely funded with federal dollars, these cuts also deeply affected Missouri. But Missouri was also cutting back on state expenditures — $293 million between FY81 and FY84.

Missouri is especially vulnerable to federal spending cuts because it ranks high in federal expenditures — 7th in per capita expenditures in 1982. At the same time, it is a low tax state, ranking 49th in state and local tax revenues. As a result, it ranks 47th in state and local expenditures. The situation is compounded by the passage of the "Hancock Amendment" in 1980 which limits revenues and discourages tax increases to offset federal losses.

The effect of fewer federal and state dollars means declining services for the poor, both in benefits and in the processing of applications. There was a loss of 3,000 state employees between 1981-1984, 70% of which were in the Departments of Social Services and Mental Health. Field staff — the workers meeting the public for income maintenance and social services — in the Division of Family Services declined by 400 between 1981 and 1983.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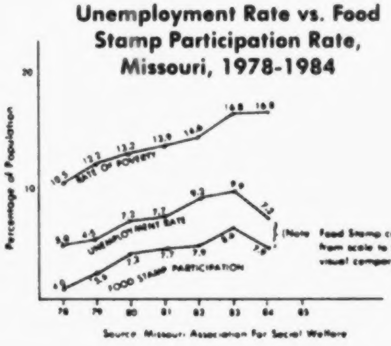
The welfare program that has been most responsive to rising need in the '80s is the federally funded Food Stamps program. Its caseload peaked in FY83 at an average 146,301 cases when average annual unemployment was at its highest during the '80s — 9.9% statewide. While there were cuts in Missouri's caseload after OBRA in 1981, the program was also picking up new cases in the deteriorating economic conditions of the recession. Average caseloads have continued to decline since 1983 to the current average of 137,622 for FY86. The program presently serves about 375,000 people, about two-thirds of whom are white and one-third black. Typical clients are a mother with young children, a senior citizen, and the mentally ill. (KMOX Radio, "Welfare in America," August 19, 1986)

The Food Stamps program has been responsive to unemployment generally, but not to the poverty rate. As discussed in the previous chapter, the national poverty rate disconnects from median family income after 1982. Missouri's experience seems to confirm that another official indicator — unemployment — also misses the increase in poverty in the '80s.

There are other reasons why the Food Stamps program is unresponsive to the poverty rate. According to the MASW **Hunger in Missouri** report, only 38% of income-eligible Missourians received Food Stamps in 1983. The



Unemployment Rate vs. Food Stamp Participation Rate, Missouri, 1978-1984

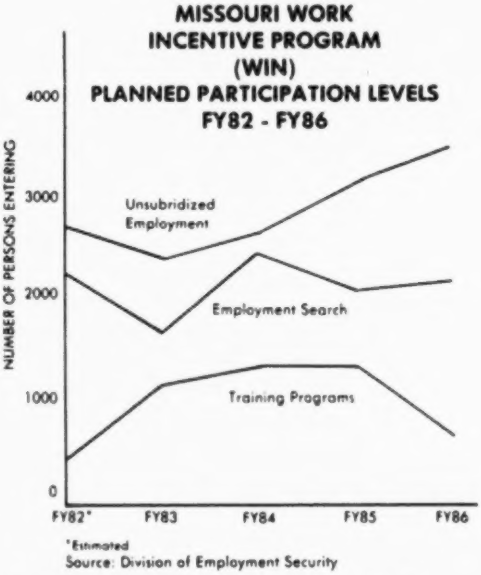
Source: Missouri Association For Social Welfare report also pointed out that one-third of those receiving public assistance benefits, such as AFDC and GR, do not receive Food Stamps. Eligibility requirements, complicated reporting procedures, and lack of outreach are blamed for the low participation. But the cuts in service and staff discussed above also play a significant role. With peak Food Stamp caseloads in 1983, the line staff had been cut 25% from 1981 levels — fewer staff to serve more clients with increased paperwork requirements.

WELFARE WORK INITIATIVES: LIMITED BUT POSITIVE

Although Missouri is not one of the 20 or more states participating in mandatory work requirements of the workfare variety encouraged by the 1981 OBRA legislation, there are three avenues for receiving employment assistance available to recipients of AFDC and Food Stamps.

The Work Incentive Program (WIN) assists nonexempt AFDC clients in obtaining employment, including training, job search, unsubsidized employment, and some child care and support services. After a major funding cut in mid-FY82 from $5.1 million to $3.2 million, the program has gradually increased the number of individuals placed in employment since FY83. FY86 funding is at the same $3.2 million FY82 level and 3,550 participants were projected to enter unsubsidized employment.

The WIN program operates only in the City of St. Louis and 8 counties in the bootheel at present. A bill presently pending in the U.S. Congress would increase the state share of funding from 10% to 25% and make the program mandatory nationwide. An evaluation of the WIN program has shown that it saves $1.56 in welfare costs for every $1 spent on its administration. (KMOX Radio, "Welfare in America," August 21, 1986)

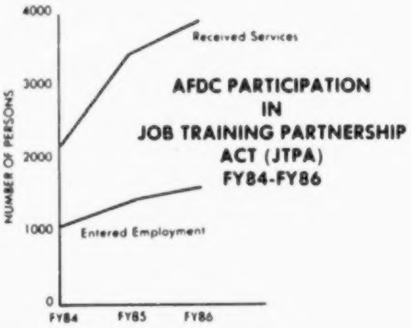


MISSOURI WORK INCENTIVE PROGRAM (WIN) PLANNED PARTICIPATION LEVELS FY82 - FY86

*Estimated
Source: Division of Employment Security

The Job Search component of the Food Stamps program is mandatory in Missouri for all Food Stamp heads of household not qualifying for exemption. The program, in existence for the past two years, includes assistance with job referrals through a computerized Employment Security job base and through job search planning. In FY85, 25,294 persons were entered in Job Search and 8,255 persons were placed in or obtained employment on their own. Figures for FY86 are expected to increase over FY85 due to a request for additional funds from unused USDA monies.

The Job Training Partnership Act (JTPA), which replaced the former CETA program in 1983, provides employment assistance to a targeted percentage of AFDC clients in its 15 service delivery areas. Beginning in October 1983, it has made small, but steady increases in the number of AFDC clients served and placed in employment. In FY86, 3,898 clients received training and employment assistance and 1,616 entered employment.



AFDC PARTICIPATION IN JOB TRAINING PARTNERSHIP ACT (JTPA) FY84-FY86

Other issues relating to welfare and work are discussed in the first chapter of the report which reviews the performance of the welfare system in Missouri.

WELFARE REFORM IN MISSOURI — METHODOLOGY

The MASW State Board created the Committee on Welfare Reform in April 1986. This committee was an offshoot of an earlier Committee on Survival which produced the report, **Homelessness in Missouri**, in December 1985. Betty Marver of Consolidated Neighborhood Services, Inc., of St. Louis and a member of the MASW Board was appointed Chairperson.

The committee consists of service providers, welfare clients, social workers, representatives of religious groups, social welfare advocates and other individuals. It has met regularly for a period of six months.

For purposes of this report the Committee decided to focus on welfare for the poor, especially families and the working poor, and not those subsidy programs that benefit the middle class like Social Security, Workman's Compensation, Unemployment Insurance and others. Thus we have reviewed programs presently serving the poor (AFDC-UP, Medicaid, Food Stamps, General Relief, Commodities, WIN, etc.) as well as pointed out poor populations which are not served by existing programs.

The design approach to the report includes a description of the welfare programs available, their strengths, weaknesses, and impacts on client households. It is guided by the study question, "Is the welfare system providing an adequate, timely, responsive and work enhancing safety net for Missouri's poorest residents?".

Three key themes emerged in committee discussions and are reflected in the report. One, welfare programs must be nonpunitive in design and implementation; two, they must provide incentives, not punishments, for work including necessary training and support services; and three, they must be sufficient to provide essential survival needs for maintaining the health and welfare of families and individuals.

The basic content of the report originates in the personal and professional experiences of the committee members with the welfare system, embodied in the six "source papers". These are augmented by committee deliberations and other information sources, and their main points are folded into the summary and recommendations.

In addition to reviewing the welfare system, the report includes an overview of national trends in poverty and welfare, presenting the findings of recent research. Recent trends in Missouri comprise another chapter, drawing on census data and state administrative records. Recommendations for changing the welfare system are presented at the beginning of the report.

Three funding sources supported the work of the committee. These were the Campaign for Human Development, Social Concerns Office, Diocese of Springfield-Cape Girardeau, $1000; Episcopal Diocese of Missouri, Diocesan Hunger Task Force, $1500; and in kind staff, resources, and volunteer time from MASW.

The Missouri Association for Social Welfare is a citizens' association committed to social policy research, community organization and coalition building, and public education about important social issues facing Missouri. It is in its 87th year of continuing service in Missouri.

MASW has a long history of involvement in welfare reform in Missouri, both in the larger sense of general public welfare and in the narrower sense of aid to the poor. In response to the 1930's depression, the organization sparked the drive to increase public welfare benefits and supported legislation to create a Department of Public Welfare. MASW's recent reports **Hunger in Missouri** and **Homelessness in Missouri** document many of the problems in the welfare system and recommend numerous public policy changes to address them.

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SOURCE PAPERS

The following "source papers" have been contributed by members of the Welfare Reform Committee. Their purpose was to tap the knowledge and experience of Committee members, and help guide Committee discussions leading to the recommendations.

Two of the source papers are from single mothers on AFDC who describe their experiences with the welfare system and how they manage to survive. Their stories are simply told and show the cold, intrusive, inadequate nature of welfare as it is practiced in Missouri, and the pressures that it places on decent people passing through hard times.

The Archey paper points out the experiences of ten women in the Work Incentive Program (WIN) and the strengths and weaknesses of WIN.

The Wehrli paper shows the folly and simplism of easy solutions like "workfare" as that concept has commonly been implemented.

The Barwinski paper constitutes testimony before one of the President's welfare reform committees. It shows how advocates for the poor keep trying to tell the truth to those in power, even when the reigning attitude is to not notice or respond to hard times.

The Curtis paper strives to present alternative, creative ideas to improving the operation and perceptions of welfare, some of which are new and others which have been tried in other countries.

A common thread through all of these is that welfare clients themselves have the experience and insight to understand the welfare system, recommend appropriate changes, and gain the best possible for themselves and their children. State and federal policy makers should be listening.

WELFARE TRAP

by

Janet Cage

(Janet Cage is a former welfare mother with 3 children. She is now working full-time with a local industry as a welder.)

"You have to sign away your rights as a human being for basic survival. There is no longer privacy or trust."

Long waits for service at DFS office

Waiting for 10 days for emergency Food Stamps causes hunger and hardship

Waiting for 45 days for AFDC cash grant can cause eviction, homelessness and state control of children

Extensive documentation required for all members of household

Benefits when received are insufficient for food and shelter

Mental health counseling and budget management sought for new clients

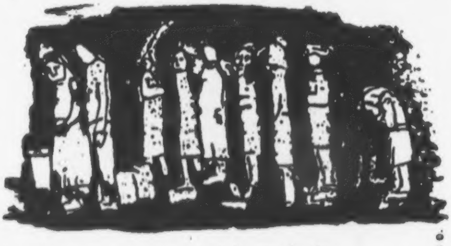
Retaining same caseworker for the duration of the case urged

Applying

New clients don't know what documents are needed or what to bring when applying for welfare for the first time. The first thing to do is to talk to someone who has gone through the welfare process to find out exactly what is needed. Then go to the nearest Division of Family Services Office.

The earlier in the morning you arrive, the better will be your chances of being seen by an Intake Worker. When you get there, you go to the reception desk, and the receptionist will give you a questionnaire to fill out. Questions include what kind of assistance you are applying for (AFDC, Medicaid, Food Stamps, one or all); how many are in the household, and names, birth dates, ages, and social security numbers of everyone in the household. You take the completed questionnaire back to the receptionist who will either give you a number or tell you to be seated.

If the receptionist gives you a number, it is because you are applying for Food Stamps only. If the receptionist tells you to be seated, it is because you are applying for more than one kind of assistance. You will have to wait until your number or name is called for further processing. Usually this takes from 30 minutes to 3 hours, depending on how many people are applying for assistance that day.



Waiting for bread ... Waiting for Justice

After your number or name is called, you go to the reception station where there are 2 to 3 workers taking down the same information you have already written on the questionnaire. In addition, the reception worker will give you an Assistance Application Form which is about 5 pages long with questions on both sides. The reception worker will mark the sections you are to fill out only in the presence of the intake worker. The reception worker instructs you to wait in another area until the intake worker calls your name. The wait for the intake worker usually takes an additional hour or two.

Interview

The intake worker finally calls your name and escorts you to an area where you will be interviewed. You are seated and the intake worker looks over your application and the information you are allowed to record on it. The intake worker asks for more information and proof for eligibility purposes, such as:

1. social security cards of everyone in the household
2. birth certificates of everyone in the household
3. all insurance policies of household members (no member is to be insured for over $1,500)
4. bank account number(s) and statement(s) of account(s) not to exceed $1000
5. all assets in your possession (not to exceed $1,000 value)
6. amount of cash on hand
7. head of household must present a valid I.D. card, and current gas and electric bill with name and current address

All of these are photocopied with the date of interview by the intake worker.

If you do not have said proof, your case will be held up until you can supply it. In addition, the head of household must have or get current registration at the employment office. School age children must be enrolled in school and attending regularly. If all children in the household are school age, the head of household must register in the WIN program.

After the paperwork is completed, the intake worker informs the client of the processing time of the application which takes up to 45 days for a cash grant and 10 to 45 days for Food Stamps, depending on the situation. A monthly reporting form will be sent in the mail each month for the client to fill out completely and send back to the caseworker by the 7th working day of that same month. Failure to do so will result in termination of benefits for the proceeding month. If there are any changes in the income or status of the household, they must be reported by the 10th working day after they occur. Failure to do so may result in the termination of assistance.

The client is asked to read and sign a statement which says that "the failure to supply or knowingly falsify or withhold the necessary information will result in complete termination of assistance and the client will, if caught, be fined and/or imprisoned." The intake worker keeps a signed copy and the client is given a copy for personal records.

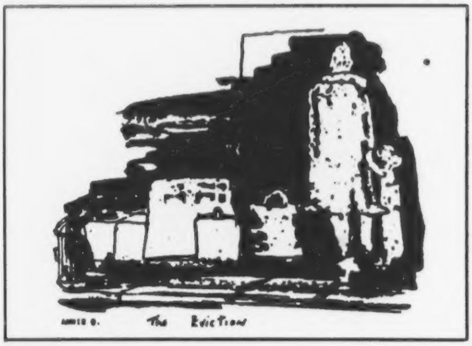
The intake worker gives the client a card with his/her name and phone number on it in the event that the client needs to call in any additional information.

Processing

Most clients go home empty-handed to wait on the possibility that Food Stamps will arrive in 10 days. Meanwhile, the client has to find some way to feed his/her family until the stamps arrive. The options are:

1. go to a community center and ask for a food basket
2. go to the local church and ask for assistance
3. borrow money from neighbors/friends
4. steal food from a grocery store
5. rob someone

The worst part about it is that the intake worker does not give the client any referral(s) to alternative resources



A lot happens to the client within 45 days. Many changes occur, such as the rent is unpaid and becomes past due; utilities are unpaid and subject to shut off, and creditors (if any) send suit notices. When rent is unpaid, the landlord looks at you in a different light. He serves you an eviction notice with a date to vacate the property. You may find yourself homeless. When utilities are shut off and the landlord says you can stay until you receive some assistance, a potential health hazard arises. There is no electricity to run your refrigerator, no gas to cook with, and if the landlord doesn't pay the water bill because it is included in the rent, you really have problems. **Many children are taken from their parent(s) because of said neglect on the part of the parent while waiting for some sort of governmental assistance.**

The cash grant finally arrives. It is usually a check for the two months waiting. Most likely that check is already spent on back rent alone. Many clients have started to sell their Food Stamps to help supplement bill-paying. This also affects the much needed food for families in an undernourished condition. Some families cut back to one or two meals a day, never benefiting from either the cash grant or Food Stamps.

Many families have other family members to fall back on for support when there is a crisis. This creates problems such as overcrowded conditions, misunderstandings, and financial hardship for the two family household. Usually a family will seek welfare as a last resort because of the hassle they would have to go through in order to obtain assistance. As a result, the family will end up out in the street one way or another.

Many people believe that welfare recipients are getting free money. No one gets something for nothing. You have to sign away your rights as a human being for basic survival. There is no longer privacy or trust; your life is somehow no longer your own when compared to another individual who is not on welfare.

Recommendations

A family or individual should receive same day Food Stamps and a cash grant within a week of application.

A caseworker should be directly introduced to his/her client and involved in the case on the date of application, providing information and linkage to other resources if necessary. The same caseworker should continue working with the family or individual until the case is closed.

There should be an adjustment period for all new applicants who have never been on welfare before. This period should include low income budget management and group support program(s) for mental health.

HOW I SURVIVED THE WELFARE SYSTEM

by

An anonymous AFDC client

Deserted, expectant mother turns to family and welfare for support

Being on welfare is a "catch 22" — you're degraded while in the system and punished when you try to get out of it

There is no way to make ends meet without "cheating"

AFDC application process long and tedious with new baby

Staff seemed overworked, frustrated and burned out

Monthly reporting included intrusive and repetitive questions

School's transmission of unrevised financial reports resulted in Food Stamp fraud charge — exonerated, but repayment required

Absent father taken to court by Enforcement Unit, but mother had not received any support

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Getting in the System

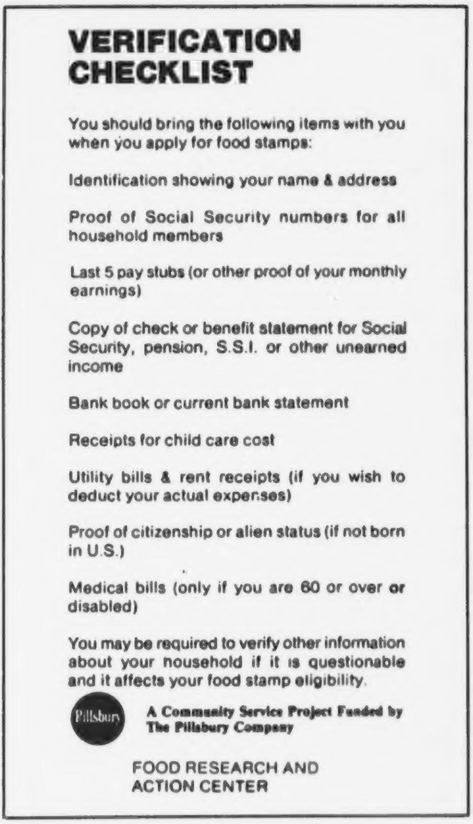
Getting into the welfare system was isolating and intimidating. I didn't know anyone else who had gone through the system so I wasn't sure what to expect. The process was long, impersonal and confusing. It happened during a very difficult part of my life so I felt vulnerable and alone.

Throughout the seven years I have been in and out of the system I have learned what I needed to do to survive and how to provide for myself and my child in order to finally get what I wanted in my life — better education and a job with a future. I used the system to my benefit as much as I could in order to reach my goals but I also had a lot of help from family and friends in order to get the opportunities I felt I deserved.

When I was pregnant and working at Head Start I found out about the welfare system. The families I worked with were all on some form of welfare and I saw first hand what kind of life they had. I knew I would never be in that situation because I had education and a job. But several months later my child's father left. I was four months pregnant, living alone and on a salary that barely covered my bills, let alone the ones he had left me with. I knew I had to move home in order to make it. So I left town at eight months pregnant and knew my support for the time being would have to come from my family. After the baby came I went directly to the local welfare office to apply for AFDC. My mother went with me. She felt I deserved the money since my husband wasn't around any more to contribute.

I did make an initial call to the office, but I was told to just come down and wait my turn, and that's exactly what we did — for three hours. The most pressing thing at the time was keeping the baby content and having to breastfeed somewhere that was smoky and crowded. I was also told what forms to bring when I called and there were many forms to fill out when I got there. I was glad my mother was there to hold the baby. There was no childcare room there at the time. Some of the information they needed was: birth certificates, social security numbers, checking and savings account information, childcare expense, utility and phone expenses, recent verification of income and rent amount. Some of the questions I was asked during intake included verification of who was in my household, eating arrangements, information on the missing parent, birth control inquiries, and an expose' on why I was there.

After I waited, filled out the appropriate forms, answered questions, and spoke to the intake worker, I was told my responsibilities and rights in the welfare system and asked to sign an agreement. I was also told to report anything that changed within fifteen days or on the monthly report they sent me. I was asked at that time if I wanted to apply for food stamps. There were different questions for that procedure and it took an additional half an hour or so. When all the questions were completed I was given copies of forms and told I would receive a letter of approval or disapproval in about four to six weeks. My information would also be verified by two people I put down as "collaterals."* I was told the father would be pursued for support. My responsibility was to report any money I got from him. It would be illegal for me to accept anything since the government was paying for my child's support. An adjustment would be made in my benefits if that happened. I was also told about the Medicaid card that would come in the mail if I was eligible. The use of the food stamps was briefly gone over. I was not eligible for emergency stamps since I had income the month before. If I was eligible for them in the future it would take about four weeks. When leaving I was told I would get a permanent caseworker and her/his name would be on my letter.



VERIFICATION CHECKLIST

You should bring the following items with you when you apply for food stamps:

Identification showing your name & address

Proof of Social Security numbers for all household members

Last 5 pay stubs (or other proof of your monthly earnings)

Copy of check or benefit statement for Social Security, pension, S.S.I. or other unearned income

Bank book or current bank statement

Receipts for child care cost

Utility bills & rent receipts (if you wish to deduct your actual expenses)

Proof of citizenship or alien status (if not born in U.S.)

Medical bills (only if you are 60 or over or disabled)

You may be required to verify other information about your household if it is questionable and it affects your food stamp eligibility.

A Community Service Project Funded by The Pillsbury Company

FOOD RESEARCH AND
ACTION CENTER

The first experience of being there made me feel like a number in a large bureaucratic institution that I had no right to be in. The contact was very impersonal, cold and complicated to follow all in one meeting. You could tell people were going through the motions of their jobs and carrying out procedures that were a part of a larger system they had no control over. They seemed overworked, frustrated, and burned out. I seemed to add to their misery and problems, especially if I had a lot of questions they didn't have time to answer.

The atmosphere was very uncomfortable. It was hot, very crowded, dirty, and there was no way to keep your children quiet as they demanded on the wall signs. There were no reading materials, no television, no toys, and junk food machines only. People there who looked familiar with the system seemed to just sit back because they knew it would be a long wait and others tried to ask questions of the receptionist who told them to sit and wait and fill out the forms in triplicate. There were other signs on the walls about different services but I wasn't told about any of them unless I asked — like energy assistance and WIC.

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* The Monthly Status Report MSR form requires the listing of one or two unrelated persons not living with you who have knowledge of your circumstances.

Staying in the System

For the three years I was in that county receiving AFDC, I continued to encounter similar kinds of experiences each year that I was up for recertification. I filled out my Monthly Status Report and answered questions that continued my benefits. Some of the questions were intrusive and repetitive. They asked about birth control methods every month and required me to claim the same assets every month even though they remained the same. Any cash on hand had to be reported, even $1.00, which encouraged lying. My collaterals were also called quite frequently at first to verify my circumstances, including questions on what kind of mother I was. During the second year of my benefits I was paid a visit by the food stamp people. They did call ahead of time, and I did insist on a time that was convenient for me. When they got there they asked a lot of personal questions about my life and how I arranged meals with my child.

By that time I was back in school and had read the fine print concerning my rights as a welfare recipient. I started asking more questions and asserting myself on the phone when I had a potential problem. One example was about my financial aid at school and how that would affect my grant. I found I could go to school and keep my Medicaid, but my food stamps would be reduced.

I was also able to count my mother as caregiver of my child, although she was really paying for him to go to day care. That allowed me to finish my undergraduate degree. I was also living in HUD housing then and knew when and what expenses to report to keep my rent down in order to afford other school expenses. During the course of those three years I had four different caseworkers and I didn't feel any of them knew my case personally. It also made it easier for me to be less than candid and get ahead.

During the time I lived in government housing I learned about other services that I would qualify for. I started receiving energy assistance, WIC, free food subsidies and contacts for clothing and other food items not provided. There was a very supportive informal network where I lived and all of us were willing to share information, occasionally switch childcare and signal each other when surprise inspections were coming up in the building.

During the time I was in school financial aid disclosures were forwarded on to the welfare office. I assumed the correct information was being sent so I used the food stamps they sent me for myself and my child; as little as it was. But as time went on I was unaware that the school had been sending unrevised financial reports to the caseworker. As a result, I was charged with fraud for using stamps that weren't mine. I confronted the school and they found their mistake, but too late. Even though I was exonerated of being fraudulent, I ate the food so I had to pay back the $260. The school did provide me with a small grant to pay part of it but I was in need of food by that time and had to use the money for that and other bills. So, I saw a lawyer at Legal Aid who told me I had to do it but would set me up on a payment plan. The law said I owed the state the money or food stamps, but I had been cut off because of the incident so I couldn't pay them back in stamps.

FRAC
FOOD STAMP OFFICE

During the last semester of school I did a practicum at a battered women's shelter and that's where I found out about the WIN program. They had several WIN employees and were willing to have me for six months. I went down to the WIN office and applied voluntarily since my child was still only in preschool. I was able to get free childcare for the six month duration as well. I didn't communicate with my caseworker except to tell her I was on it and had a job; another worker arranged the childcare and WIN procedure through that separate office. I also didn't have to go through the entire WIN orientation and assessment since I got the job on my own; it was only a formality on paper. I was able to keep my Medicaid card during that period of time and that really helped because the organization I worked for didn't have health insurance. But the job was temporary. I was able to learn some important skills while I was there and I had an opportunity to do some grant writing. As a result, I extended my position for another nine months. But I lost the day care subsidy and had to start picking up my own medical expenses. When that position began to look really insecure, I decided I wanted to go to graduate school and get my Master's Degree. I knew funds were continuing to decline for Higher Education, so I wanted to go while I could. I knew having a child would help my eligibility for financial aid too.

During this same time, my child's father returned into my child's life. He wanted to see him, but still refused to pay any child support. I reported this to the Child Support Enforcement Unit and they informed me that these were two different issues. I had to let him see him by what was decided in my divorce decree (two hours, two days a month). They took the new information and said they would try and get him to pay. He lived out of state so it did make things more complicated and slower. He also moved around a lot between jobs. I could still contact the Enforcement Unit even if I wasn't on AFDC, if I called within sixty days after I got terminated. I was told that by my lawyer at Legal Aid, so I did it.

That brings me up to the present and my reinstatement in the welfare system. I was now in graduate school full time and my child was in kindergarten so I was mandated to be in the WIN program. I filled out the paperwork that was required based on the letter I got from my caseworker. I told them I was in school full time but they said I still had to register. I later got a work study job part time at school so they left me alone. It was supposed to be full time but they couldn't keep me from taking it or from quitting to accept full time and I knew that. Plus, I learned a lot about the bureaucratic red tape in WIN from my first experience and knew they had too few jobs to offer and too many women to serve.

Support For The Children

St Louis P.D. 3-23-86

Child support enforcement legislation has already passed the Missouri House and, in another form, is close to passage in regular, full payments. The needs of a growing child do not easily adjust to the whim of the parent who is supposed to be

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As it is now I continue to get my AFDC grant, and I report monthly my expenses for school and my gross pay. I never see my caseworker nor do I hear from him. If you asked me right now I would have to look up his name in my wallet. I suspect I will be going in for a recertification soon. It's been a year since I've been back on again. My financial aid keeps me from food stamps, but I can get energy assistance with my roommate. I also don't have to report her income because she is not considered part of my family, (even though she is). So we share income freely. No further settlement has been made on child support even though he did go to court in October of this past year to get an amount of $100 a month set. I have seen none of it. I knew some of it would go to the state for repayment, but I was assured by a lawyer at the Enforcement Unit that part of it would be for current support.

In conclusion I would like to say the welfare system is a vicious cycle and the kind of experience that degrades you as a human being. It's a Catch 22 because they don't want you on it to begin with, and when you get the nerve to go and apply, you immediately feel labeled as one of "those welfare mothers" who can't take care of herself and has too many babies. They treat you like you're stupid, and they ask intrusive questions. When you try and get out of the system they punish you by removing benefits before you're on your feet; requiring you to be in programs that keep you out of school, and from a better job, cutting off food stamps when you have huge school expenses that don't include money for food; and keeping information from you on services that could provide some options (like school). There is no way to make ends meet without cheating, and yet you've been taught your whole life that cheating is wrong. You do what you have to do for your child to eat and to get ahead. I also was very fortunate to have a parent who had resources occasionally to help me out. She bought me a car that luckily didn't throw me over the limit for assets, and she paid for two years of day care so I could get my degree. The government housing was critical, since I was also given an amount for partial utilities and a reduced monthly rent. I deducted day care even though it was money borrowed from my mother, I had medical expenses not covered by Medicaid that I deducted. My income, therefore, came up negative. I also think that being formally educated and white gave me privileges that other welfare women didn't have. I was seen as a possible "success" story for them because I was "making" it. But they had no idea how — and it wasn't from welfare.

WOMEN IN THE WIN PROGRAM AND A FEMINIST ANALYSIS FOR CHANGE

by
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Welfare work requirement a major focus of 1967 WIN program

Voluntary program became mandatory in 1972; work incentives cut in 1981 OBRA

Experiences of 10 women WIN participants studied via interviews

Typical respondent was black, age 33, with two children and more than secondary education

After registration, only half of the women went through the program; three were not called in and two found jobs on their own

Child care was dominant issue in finding/keeping work

Extension of Medicaid coverage was priority

Mixed response to program participation: job preparation helpful, but many barriers to employment exist

As long as women are primary caretakers with low-paying job options, WIN should be voluntary

WIN should provide support services for women most in need of them

Women should be involved in monitoring and revising welfare policy

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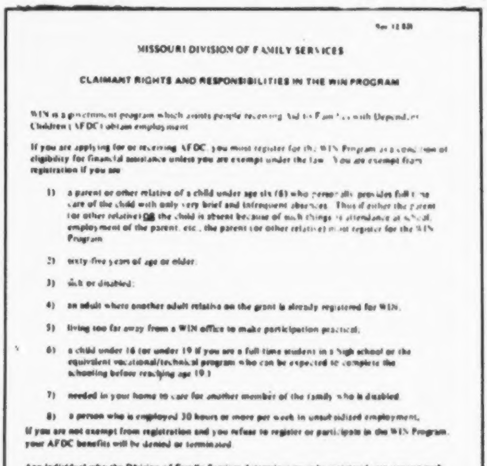
Since 1967, a major focus in welfare policy has been on work requirements. The 1967 amendments to the Title IV-A Social Security Act established the Work Incentive Program (WIN) as an employment-oriented program implemented through the Division of Family Services and the Division of Employment Security on the local level. Women on Aid to Families with Dependent Children (AFDC) made up the vast majority in the program (Levitan et al., 1972; Rein, 1982a, 1982b). At first, women were voluntary participants and many joined in because of the lowered tax rates offered them as an incentive to work.

But since that time, many revisions have occurred within the program. Mandatory requirements were established, benefits were threatened, and much needed funding reduced. In 1972, AFDC recipients were mandated to register for WIN as a condition for receiving welfare benefits (Levitan et al., 1972; Milwaukee County Welfare Rights Organization, 1972; Rein, 1982b). All AFDC women must now register for WIN unless they are children under sixteen years of age or in high school, over sixty-four years of age, sick,



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MISSOURI DIVISION OF FAMILY SERVICES

CLAIMANT RIGHTS AND RESPONSIBILITIES IN THE WIN PROGRAM

WIN is a government program which assists people receiving Aid to Families with Dependent Children (AFDC) obtain employment.

If you are applying for or receiving AFDC, you must register for the WIN Program as a condition of eligibility for financial assistance unless you are exempt under the law. You are exempt from registration if you are:

1) a parent or other relative of a child under age six (6) who personally provides full time care of the child with only very brief and infrequent absences. Thus if either the parent (or other relative) OR the child is absent because of such things as attendance at school, employment of the parent, etc., the parent (or other relative) must register for the WIN Program.

2) sixty-five years of age or older;

3) sick or disabled;

4) an adult where another adult relative on the grant is already registered for WIN;

5) living too far away from a WIN office to make participation practical;

6) a child under 16 (or under 19 if you are a full time student in a high school or the equivalent vocational/technical program who can be expected to complete the schooling before reaching age 19.)

7) needed in your home to care for another member of the family who is disabled.

8) a person who is employed 30 hours or more per week in unsubsidized employment.

If you are not exempt from registration and you refuse to register or participate in the WIN Program, your AFDC benefits will be denied or terminated.

Any individual who the Division of Family Services determines must be registered, can contest such determination by requesting a hearing. Likewise, any individual whose benefits are denied because they refused to register is entitled to a hearing.

If you are exempted from the program, you have the right to volunteer. There are no penalties involved if you do not participate in the program as required.

All exempt individuals must inform their caseworker of any change that would require them to register for WIN.

Also, all registered individuals must report changes in their circumstances to the Division of Family Services such as employment, changes in household composition, change of address, etc.

"differently-abled"*, or mothers with children under six years of age (Comptroller General of the United States, 1982; Levitan et al., 1972; Rein, 1982b).

In order to gain insight into the operation of the WIN program and the way these and other regulations have affected the recipients, the following study was undertaken. Ten women in the WIN program were interviewed to tell their stories about going through the WIN process. The goal was to examine the implementation of WIN policies as experienced by women participants and to document their recommendations on how it could be improved.

Helping People Off Welfare

St Louis PD 3/4/86

The Senate properly refused to end the Work Incentive Program. This effort provides job search, counseling and social service funds to help boost the employment potential of recipients of Aid to Families with Dependent Children.

fective is beyond dispute. In Massachusetts, for instance, 23,000 recipients moved off the welfare rolls and into the job market as a result of services provided under it. Massachusetts is only one of many states that are seeking innovative ways to help

The women interviewed were all mandatory participants in the WIN program. The range of participation was one visit to six years. There were six black women, three white women, and one Hispanic woman. Their age range was 26 to 39 with a median age of 33. The number of children each woman had ranged from one to five with two children as the average. The children's ages were four years through seventeen years (the woman with the four year old was mandated because she was in higher education full-time). Two women were high school graduates, two grade school graduates, three had vocational training, and three had some college.

Four out of the ten women were unemployed and on AFDC. One woman was on disability insurance and taken off of the program when her health problem was "properly" documented. One woman was doing volunteer work in the area. Two women were working part-time and receiving partial welfare benefits. Three women were working full-time in paid positions. All three had gotten jobs from an agency that knew them as responsible volunteers. Two of the three worked at the agency for a short time (4-6 months) under the WIN program. When those jobs ended, they found others on their own and have been working a couple of months each. The other employed woman has been working steadily for a year and was retained in a WIN position she acquired through the program.

Participants in the study were asked, the following open-ended questions to facilitate discussion and to draw some comparisons between women's stories. Each interview lasted about an hour, and all of the women answered the following questions about the program:

1. What was the process you went through to get into the WIN program?
2. What were the good things about the program?
3. What needs to be improved?
4. Do you feel welfare mothers should be required to be in the WIN program?
5. Do you feel the training provided was adequate to find a permanent job? Why? Why not?
6. What special needs do you have as a poor mother when seeking employment? Are/Were they addressed in WIN?
7. Do you want a permanent job outside the home?
8. What recommendations do you want to make concerning the effectiveness of the program?

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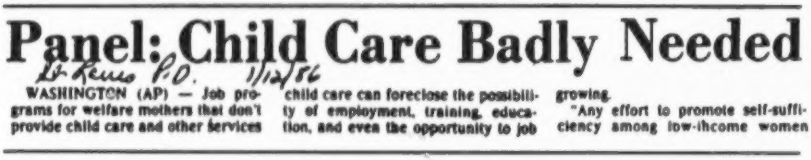
* Disabled is a more negative & common way of describing persons with handicaps. The point is that so-called disabled people may also have great abilities.

Three recurring themes were apparent in their responses. The first related to the process of becoming a WIN participant. All of the women went through the registration process as ordered by their caseworker. But, after that point only half of the ten women made it to the Employment Security Office where they were suppose to be trained in job-readiness skills. Three women were never called back after the registration process and the other two found jobs on their own immediately after registering.



Panel: Child Care Badly Needed

St. Louis P.D. 1/12/86

WASHINGTON (AP) — Job programs for welfare mothers that don't provide child care and other services child care can foreclose the possibility of employment, training, education, and even the opportunity to job growing.

"Any effort to promote self-sufficiency among low-income women

Another theme that seemed to dominate the conversations with women involved issues about being a mother and a worker at the same time. Even though all but one woman had school age children, child care was still an issue. Before and after school care was an issue for four out of the ten women. If they were forced to go look for a job, child care had to be arranged through relatives because licensed daycare was usually full or too far away. Taking care of home responsibilities in addition to looking for a job was difficult for most of the mothers who were single.

The last theme dealt with good and bad aspects of the program and future recommendations to increase its effectiveness. Half of the women who actually participated in the job preparation aspect of the program felt it had some beneficial components. They felt the interviewing techniques, resume writing, and group critiques were useful for women who had never been in the job market. Two women felt they should have been treated more like adults in this process; they especially resented the monitoring of phone calls to potential employers.

Three women felt there were only service-related slave jobs available and until the labor market changed for blacks, minimum wage jobs like these were not an acceptable alternative to welfare. Two women felt the staff was helpful and provided them with all possible opportunities for employment.

All of the women wanted permanent employment except two who had plans to continue their education first. Six women felt the WIN system had barriers to their achieving employment. Some of these barriers were too little training, referrals to low paying jobs, and too much paperwork.

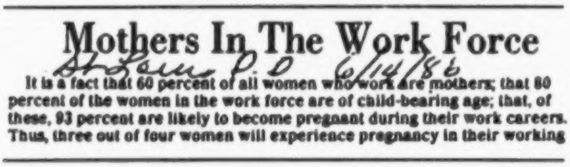
Benefits were a major concern of all the women. Four women suggested extending Medicaid coverage for up to a year after being employed.

Half of the women felt the mandatory WIN requirement was justified since they had school age children. But they all felt placement in jobs with a future should be a reward for their involvement. The other five women felt they should have a choice about being in WIN because they had other priorities in mind first, such as school, job training, and being a mother full-time.

Overall, women wanted to be respected, better trained, have more options, better child care, and placement in permanent, higher paying jobs in their neighborhoods. Barriers in the system caused some of the problems, but many problems were the result of funding shortages on the federal level which resulted in fewer staff to serve women, less training, and the rejection of women who were considered unemployable.

Examining welfare policy within a feminist perspective can offer explanations that build on the recommendations of women in the program.

First, the idea of a mandatory work requirement for women on AFDC has to be challenged. Women should have the option to participate in the WIN program for several reasons. First, women are the caretakers in our society, and until that changes, the dual role of home worker and wage earner will persist for most women. Because of this dual role, women on welfare are



Mothers In The Work Force

St. Louis P.D. 6/14/86

It is a fact that 60 percent of all women who work are mothers; that 80 percent of the women in the work force are of child-bearing age; that, of these, 93 percent are likely to become pregnant during their work careers. Thus, three out of four women will experience pregnancy in their working

put in a no-win situation, especially black women. One part of society is telling women to stay home with their children and the other side is saying they should be off of welfare and working to support their dependents (Chrissinger, 1980; Dinerman, 1977; U.S. Dept. of Labor & U.S. Dept. of H.E.W., 1979).

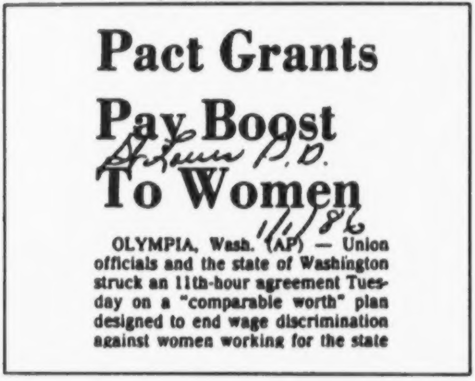
Women have always worked, especially black women. The choice to stay home is often reserved for white, middle class mothers only. Welfare mothers should have the same choice (Miller, 1985; Milwaukee County Welfare Rights Organization, 1972). With the high rate of unemployment for black males, and women in general, marriage is not always a viable option. So, women are caught in a double bind as caretaker and wage earner, but in jobs that pay minimum wage and offer no future out of poverty for their families (Chrissinger, 1980; Dinerman, 1977; Rein, 1982a).

Those women who want to be in the WIN program should be supported. The program should be funded well enough to accommodate their needs and jobs have to be created at the federal level to insure a job for everyone who chooses and is able to work. Women who are chronically unemployed, never employed, or underemployed can be provided with extensive job training, education, career counseling, placement, and follow-up services to insure financial stability. The focus should be on those who need it the most and want the service. As it is currently, the "unemployables" are cast aside and screened out of WIN to make room for their few success stories (Comptroller General of the U.S., 1982; Goodwin, 1977; Levitan et al., 1972; Milwaukee County Welfare Rights Organization, 1972; Rein, 1982b).

In order to reach these goals several steps need to be taken. First, funding should be made more secure on the federal level and expanded to include the services mentioned above. Second, nontraditional careers should be made available to women as options. Convenient and reliable child care should be made available free on a national level for any child. Public transportation should be more reliable and upgraded and made available to all citizens through taxes.

The last issue to consider is the enforcement of federal laws to insure better opportunities for women. The enforcement of Affirmative Action and quotas can begin to eradicate some of the ill effects of institutional racism in our society (Gordon, 1979; Kuttner & Freeman, 1982; Miller, 1985). Until blacks are integrated into the job market in high level jobs with futures, they will continue to be disproportionately represented in welfare. Black females suffer the double discrimination of being black and female since women still only make 59 cents that of men (Dinerman, 1977; Gordon, 1979).

The passage of the ERA and other policies that support women as caregivers if they choose, or working women if they prefer, should be enforced to combat institutional sexism (Gordon, 1979; Miller, 1985). Child care arrangements should not keep a woman from reaching her potential. Comparable worth is another way to equalize jobs that already exist by making "women's work" valued in terms of equal pay for comparable work (Gordon, 1979; Kuttner & Freeman, 1982; Miller, 1985).



Pact Grants Pay Boost To Women

St. Louis P.D. 1/1/86

OLYMPIA, Wash. (AP) — Union officials and the state of Washington struck an 11th-hour agreement Tuesday on a "comparable worth" plan designed to end wage discrimination against women working for the state

In conclusion, the recommendations that women have made as well as the author's suggestions should be considered in reforming the WIN program. Women should be encouraged to be on committees and boards to monitor the system and revise welfare policy (Miller, 1985; Wetzel, 1986). Feminist social workers should be advocating on behalf of their constituents at these same meetings in order to humanize the welfare system. The WIN program needs to be analyzed from the perspective of women who have experienced it and feminist values incorporated into its operation and goals for the future.

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WORKFARE VS. FAIR WORK

by

Carol Wehrli, Director
Reform Organization of Welfare

Reagan advocates workfare while promoting cuts in WIN and JTPA

Workfare means working off welfare benefits at minimum wage on an assigned job

Pilot Missouri workfare project for Food Stamps in Springfield in 1981

Workfare participants had same responsibilities as regular workers, but none of the rights

Workfare participants received no training and only 8 of 965 found permanent employment

Paid workers may be replaced with free labor of workfare participants

Workfare makes no accounting for the responsibility of the absent parent

Welfare mothers need child care, transportation, health benefits, sick leave and adequate wages to support a family

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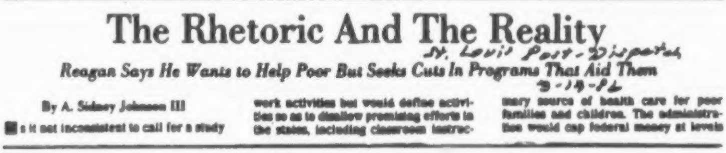
In his State of the Union address in February, 1986 the President pledged to "create a ladder of opportunity to full employment so all Americans can climb toward economic power and justice on their own." While he called for an evaluation of welfare programs to find ways by which families can "escape the spiderweb of dependency", he also proposed funding cuts to the programs currently in place which offer some kind of job training to caretakers of families receiving Aid to Families with Dependent Children (AFDC).



The Rhetoric And The Reality

St. Louis Post-Dispatch

Reagan Says He Wants to Help Poor But Seeks Cuts In Programs That Aid Them

3-14-86

By A. Sidney Johnson III

Is it not inconsistent to call for a study

work activities but would define activities so as to disallow promising efforts in the states, including classroom instruc-

mary source of health care for poor families and children. The administration would cap federal money at levels

The President asked for an end to all federal support of the Work Incentive (WIN) Program. WIN operates in the city of St. Louis and eight counties in the Missouri bootheel. WIN placed over 3,500 AFDC caretakers in jobs this past year in Missouri. The Reagan Administration also asked for reduced funding of $43 million from last year's level to the Job Training Partnership Act (JTPA). JTPA in Missouri was credited with placements of over 1600 AFDC caretakers in jobs this past year.

Instead the Administration has been encouraging the concept of workfare. Or the Community Work Experience Program (CWEP), under CWEP, a part of 1981 Omnibus Budget Reconciliation Act (BRA), states were granted the option for the first time, as part of the welfare system, to require caretakers from families dependent on welfare to work in public or non-profit agencies in return for their welfare benefits. Since then, many states have experimented with workfare-type programs, most publicized of which is probably the Massachusetts Employment and Training (ET) Choices Program. How does workfare fare?

Although the term workfare has been applied recently to virtually any work program for people who depend on welfare, the technical definition for workfare is working off welfare benefits at minimum wage on a job which is assigned. There are two principle ideas behind workfare. One idea is that workfare helps people on welfare by giving them job experience and work attitudes that lead to permanent employment in the private sector. The other is that nobody should get something for nothing. These ideas will be examined.

By its strict definition, there are basically two methods of implementing workfare. One method is to require a caretaker to work the number of hours equal to her benefit level divided by the minimum wage. If applied to Aid to Families with Dependent Children for example, a mother of 2 children, who receives $279 a month in Missouri would be required to work 83 hours a month ($279 ÷ $3.35/hr. = 83 hrs.). Using this method, a caretaker of 11 children who collects $646 in AFDC benefits, would be required to work 193 hours a month, or more than a 40-hour work week. The other method is to require caretakers to work a fixed number of hours regardless of their benefit level. However, using this method, caretakers with low benefit levels would be working for less than minimum wage.

The 1981 OBRA with CWEP provisions authorized states to operate workfare in connection with AFDC for the first time. However, workfare in connection with other public assistance programs such as Food Stamps has been tried off and on over the last 40 years in some states. In 1981, Missouri tried a pilot workfare project in connection with Food Stamps in Springfield. Results from a study conducted by the Reform Organization of Welfare (ROWEL) of the pilot workfare project will be used to test the principle ideas behind workfare.

In Springfield, the first method of implementation was used. The average monthly Food Stamp allotment of $121.60 meant that the average monthly time worked was 36 hours. The average educational level of those persons placed was tenth grade. The average age was 30 years old. Workfare participants were assigned to 136 different work sites ranging from public to non-profit agencies with work assignments including but not limited to maintenance and clerical positions.

The only employee protection they had was workers' compensation. They were not entitled to health insurance, sick leave, vacation, or even national holidays that they did not have to make up. There wasn't access to employee grievance procedures. Any dispute which could not be settled at the worksite was referred back to the welfare office, which could reassign the workfare participants to another worksite. On the other hand, no matter how well the workfare participants performed, there was no opportunity for advancement, a raise, or even increased Food Stamps.

Job Placement Versus Welfare-Rolls Purge

NASW News
July 1986

'Workfare' as Reform: Question of Intent

DICHARD NIXON tried it. Gerald Ford tried it. Jimmy

Mandel says there are few "true" workfare programs in operation, but

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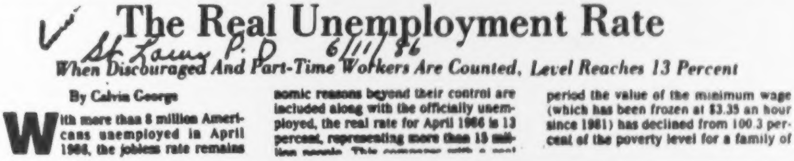
How then is workfare comparable to job experience, when workfare participants have the same responsibilities as regular workers, but none of the rights? How is this exploitative situation supposed to teach work attitudes to workfare participants? State caseworkers and work supervisors invariably claimed that they treated the workfare participants in Springfield nicely or just like regular workers. Given that they did, this shows that workfare participants were dependent on kindness, since they had few employee protections. And kindness in this case did not lead to a paycheck to help cover health benefits, transportation, rent and clothing.

Nor did workfare participants in Springfield receive any kind of job training. The only job training workfare participants received was the message that if they wanted to eat, they must work for it on the government's terms. Workfare participants did not bypass the welfare dependency trap, rather they learned a new way to welfare dependency. Basically the pilot workfare project in Springfield left unskilled and difficult-to-employ persons exactly the way they were: unskilled and difficult to employ.

This is substantiated by the number of workfare participants who actually found permanent employment. Of 965 workfare participants placed at worksites in Springfield, 8 received permanent employment as a result of their workfare experience. Thus, no matter how hard some of the workfare participants worked, no matter how competent they were at their jobs, the only difference to them was a .008% chance of obtaining permanent employment. Workfare participants were more likely than ever to feel enmeshed inthe welfare dependency trap, now that their resources of time, money, and energy were used up in workfare rather than directed to finding real work.

Workfare has been shown to do little for workfare participants themselves in terms of helping them find jobs and become independent of the welfare system. Who then benefits from workfare? Workfare is for the benefit of working people who don't like the idea of government giving something for nothing. Americans think "I must work for what I get. Why should people on welfare get a handout?" It makes the taxpayers feel better that able-bodied persons receiving welfare must work to receive help. **What workfare does do is create a better public image for welfare.**

But workfare means someone else, the employer, is getting something for nothing. Under workfare, public and non-profit agencies are getting free labor. Isn't that something for nothing? Furthermore, it is impossible to prevent the replacement of paid workers with the free labor of workfare participants. Unions have consistently opposed workfare stating that it creates as much unemployment for regular workers as it solves for people on welfare. Workfare introduces yet another government dependency, that of the public or non-profit agency hard hit by dwindling resources, for free labor.



✓ St Louis P.D 6/11/86

The Real Unemployment Rate

When Discouraged And Part-Time Workers Are Counted, Level Reaches 13 Percent

By Calvin George

With more than 8 million Americans unemployed in April 1986, the jobless rate remains

nomic reasons beyond their control are included along with the officially unemployed, the real rate for April 1986 is 13 percent, representing more than 15 mil-

period the value of the minimum wage (which has been frozen at $3.35 an hour since 1981) has declined from 100.3 percent of the poverty level for a family of

The idea of something for nothing ignores the reasons that individuals and families receive welfare in the first place. It ignores the current economic realities of the job market. In our society there is a tendency to blame the victim in bad times. Yet September statistics for the state of Missouri, show the unemployment rate at 5.9 percent. This means that 152,297 people are looking for jobs in Missouri and can't find them. In addition, to these, it is estimated that there are many discouraged workers who have quit looking and aren't even counted in the statistics, plus numerous part-time or underemployed persons who are looking for full-time work in order to more adequately support themselves and their families.

People on welfare want jobs. They want a better economic level. They want to make it on their own. They want to take care of their families. They are eager to do so. As one of the field researchers for the Manpower Demonstration Research Corp, which recently did a study on work initiatives for welfare recipients, said: "**These workfare programs did not create the work ethic, they found it.**" People on welfare do find jobs on their own. The average time that a two-parent family receives AFDC benefits in Missouri is six months. For the vast majority of the welfare population, welfare is only a temporary source of aid, until another source can be identified.

Unfortunately, the 1981 OBRA drastically reduced work incentives for people on welfare. Whereas previously there has been a way for people to benefit financially from their work through the $30 and one-third disregard provision, this was eliminated after four months with the result that many families, where the parent was working at a minimum-wage job, not only lost AFDC benefits but also Medicaid coverage. Thus, it presently makes more sense for a woman who loves her family and wants to maximize her resources to take care of them to turn down a minimum-wage job with no health insurance and stay home on welfare.

While 67% of the Food Stamp workfare participants in Springfield were men, a workfare-type program in connection with the AFDC program would be expected to target single-parent women. Women make up 96% of the single parents receiving welfare in Missouri. With the employment rates of all women, including single parents, increasing dramatically over the last few years, so has the expectation that women have a responsibility to work and support their families. However, one contributing cause of welfare dependency for single-parent families has been the failure of the federal and state governments to help the custodial parent collect the child support that the absent parent should be paying.

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53 Percent Of Lone Mothers Get No Aid From Fathers, Study Says

St. Louis Post-Dispatch 11-14-86

WASHINGTON (AP) — More than half of the mothers raising children on their own do so without any financial help from the fathers, a new re-

fourth said they did not want the help.

The majority cited an inability to

This is made even more complex considering 40% of AFDC caretakers in Missouri are not the natural parent of at least one child in their care. Thus, workfare may become punitive to relatives who take in children. The implementation of workfare might in turn cause more demand is greater cost to the state for foster care. It is important to realize that under workfare, there is no accounting made for the responsibility of the absent parent(s).

What do women on welfare need in terms of work? If children are pre-school age, and 44% of children receiving welfare in Missouri are, they need child care. If children are between the ages of six and ten, and 27% of children receiving welfare in Missouri are, they need some kind of latchkey program for after school. Women also need reliable transportation to get to work. They need to keep Medicaid benefits if they don't get health benefits on the job. They need leave in case of sickness, not only for themselves but also in case of sick children. They need adequate wages which will allow them to support a family. Otherwise, they need information as to how their wages will affect their AFDC benefits level, and it needs to make sense to them financially.

Finally they need options in their lives. Most of the women who form part of the long-term welfare population have had patterns of failure due to a lack of opportunities and experiences available to them. They need a variety of services that lay out some options in terms of learning skills, not just traditionally low-paid "women's work". A welfare mother makes a decision to work based on her potential earning power in the labor market, tempered by the needs of her children to have her at home, her own feelings of stress, and her personal ability to cope with the myriad of pressures and choices surrounding the issue of work.

EXCERPTED TESTIMONY TO THE ADVISORY COMMISSION ON INTER-GOVERNMENTAL AFFAIRS FOR THE WHITE HOUSE DOMESTIC POLICY COUNCIL

by

Sara Barwinski, Advocacy Facilitator
Lutheran Family and Children's Services of Missouri

Welfare clients have important insights on welfare reform
Jobs and education first priority of Missouri welfare clients
Child care and affordable health coverage essential
Job strategies must include youth and unemployed males
National standard for AFDC needed to ensure adequate benefit level
AFDC-UP work history requirement disqualifies many in need
Reducing benefits for every dollar earned discourages work
Teen pregnancy prevention strategies stress options, values and hope
Private, voluntary sector overtaxed in trying to meet survival needs

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At a recent conference in the Capitol of Missouri, low-income persons and welfare clients from all over the State rated various problems they wished to work on legislatively during the coming year. The top priority identified by them was jobs and education. There was overwhelming agreement that the ticket to a better quality of life lay in the world of work. However, many obstacles were identified that need to be dealt with.

A big priority was an emphasis on improving basic public school education. JTPA in the St. Louis area has problems with placing public assistance recipients because so many are illiterate and need extensive pre-employment skill building. We need a remedial program for these casualties of poor education system. But we need also to prevent the continued creation of high school drop-outs and even high school graduates that lack basic skills.

Fliers target illiteracy among welfare recipients

Jeff City Post-Tribune 9-11-86

A flyer containing information on literacy services in Missouri will be included with monthly wel-

will be sent to the state's 68,000 welfare recipients, might contain a picture of a circle with a slash

erate, Stangler said.
Also under Ashcroft's program, state employees will receive no-

In Missouri, 1.2 million adults have less than a high school education and the MCAL estimates 40

Job training opportunities were also emphasized. Several people at the meeting **had** received training that led to employment through the WIN program. However because of budgetary constraints the program now only operates in eight counties in Mo.

Job training however is not enough. There must be a job available that one is training for. When I was doing research for the Hunger Report I spent time in the Bootheel of Missouri, a very depressed part of the state with some of the worst poverty in the nation. Many jobs had been lost due to the mechanization of farming and the closing of several large shoe factories. I talked with several recipients who shared the common story of having been trained and retrained and trained again. One woman has gone through beauty school, clerical school and was currently in a medical assistant program because the reality was that no jobs existed. Training is important, but actual jobs are critical. We encourage the commission to explore innovative ways to stimulate private entry-level job creation and also consider direct public job creation as a way to address the serious problems caused by welfare dependency and unemployment.

Equally important in promoting independence are support services that insure a successful job placement. The State of Missouri recognizes the need for day care services to reduce welfare rolls and are trying to increase available funding. However, the need greatly outstrips availability and in the end it is the children who suffer. One client we served recently became disgusted with life on welfare. She was tired of the stigma, hassle, and invasion of privacy that she endured in order to receive a grant of **$327**, not enough of support for her family of four. She took two jobs with the hope of creating a better life for her family. However, after a few months she became involved in the State system again because a neighbor reported her for neglecting her children. She did not have child care and she left the baby and three year old in the care of their eight year old sister. The State threatened to remove her children and would have placed them in **more** expensive foster care had we not intervened. This Catch 22 - is repeated over and over again and will be until adequate affordable day care is made a priority.

Children At Risk

St L Post-
Dispatch
1-27-86

A group in Congress headed by Democrat Rep. George Miller of California is trying to revive interest in a stronger federal role in ensuring the availability of safe day care to needy children. Such a direct significant differences exist in the services provided throughout the states. Since the 1981 cuts, Congress has restored perhaps 25 percent of the funding that had been eliminated, but Gramm-Rudman would

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Another major disincentive to work is the lack of affordable health coverage for the working poor. A study done for the State of Missouri identified one-million persons (20% of the State population) as medically indigent. Many AFDC mothers have shared their anguish over having to choose between the dignity of work and health coverage for an ill child. The loss of the Medicaid card is definitely perceived as punishment for working and many are forced to choose welfare. Further it is easy to see why working poor families who are struggling to remain independent become resentful when their needs aren't met. This country is in desperate need of a coherent National Health Service that should be the cornerstone of any true Welfare Reform. Second best would be to extend Medicaid coverage for a longer period to those trying to make the transition from welfare to work.

2B **Saturday, November 29, 1986**

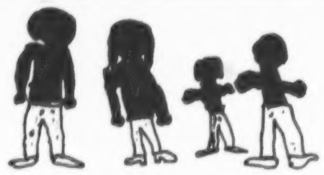
Insuring The Working Poor

A Nov. 23 story in the *Post-Dispatch* told of the harrowing experience of an uninsured, pregnant woman from Festus who er, Carole R. Park, of Sugar Creek and Gail Chatfield of St. Louis and to Republican Rep. Russell Brockfeld of Warrenton.

Workfare programs that don't recognize education, training, job creation, day care, and health services are doomed to fail. Although innovative programs can be tailored at the state and local level for particular needs, the Federal government should recognize that successful programs will be costly. The Federal government should share in the cost and retain oversight to insure that the programs promote independence and not exploitation.

Any job strategy that ignores the problems of youth, and male unemployment and concentrate exclusively on AFDC mothers is shortsighted. In Missouri it has been said that the only welfare program available for Black men is the prison system. Statistics bear this out. We spend far more in incarceration and crime related costs that we would in an effective job strategy.

The final concern expressed was the reality that many low-income families are working full-time and not lifted out of poverty. The minimum wage needs to be adjusted to support families if we want to truly provide hope through the world of work.



The publication of Citizens for Missouri's Children October 1985

Those families that are forced for a time to be dependent on welfare need a benefit level that is realistically able to insure a minimally adequate level of existence. The success of public assistance in reducing elderly poverty rates are directly tied to their being adjusted for inflation. Poverty for children on the other hand has been increasing because of no National standard and COLA adjustments. In Missouri a single SSI recipeint receives more than a family of four on AFDC. We encourage the commission to recommend a National Standard for AFDC which is indexed for inflation.

AFDC-UP is an important pro-family measure that should be extended to all the States; Missouri lost the program in 1981, but regained it in 1983. We convinced the legislature of the program's cost-effectiveness by comparing lengths of stays between two-parent and one-parent AFDC families. In AFDC-UP the average case closed within six months as the family got back on its feet. For one parent families the average was 17 months. The program **does** promote family stability. A problem that needs to be recognized however is that many families are not helped by the program and are still forced to split up in states that have AFDC-UP. For example, in Missouri whose population is predominantly concentrated in Kansas City and St. Louis, 87% of the AFDC-UP case load reside in other areas. The program has helped rural areas affected by the farm crisis, and the newly unemployed of the lead mining belt.

However, the long term unemployed of the central cities can not qualify. The unavailability of AFDC-UP to young people without a work history works against the formation of a family when a young woman gets pregnant. Proposals that would extend AFDC-UP to families with a parent involved in education or job training would positively promote family values.

Another problem in the existing welfare system is the reduction of benefits for every dollar earned. This clearly discourages work and forces people into the underground economy in order to supplement inadequate benefit levels.

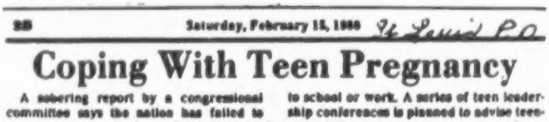
I recently asked an ex-AFDC client (who now works at a social service agency as a result of a WIN placement) what her secret for success was. I was impressed that although she had been a teen parent she had raised three children to independent adulthood. Although growing up in depressing poverty, her children had not succumbed to drugs, or pregnancy — had finished school and were gainfully employed. How did she do it? She replied that she had **always** worked. The children always had that role model and that expectation for themselves. That's what separated her from her neighbors — the example of work. The income that she earned in addition to her grant and Medicaid was enough to raise healthy, productive citizens. Her earnings alone or her AFDC alone would have been woefully inadequate. She then added — "of course I was cheating and was lucky I didn't get caught. Today people can't do that anymore — the computer would catch you." Her working, the very thing that saved the state from another generation in poverty, was defined by the state as "cheating."

For the vast majority of AFDC clients the program provides a short-term social insurance function while they get their life together. In Missouri 65% of the cases close within a year and the average is 17 months. Seventy-five percent of the cases opened are due to divorce. separation or death, with the wife and mother needing some time to stabilize the family. In spite of these statistics the myth remains of the typical welfare client as a lifetime member of a so-called trapped underclass.

Although it is important not to perpetuate the stereotype, it is also important not to deny the existence of a small, but growing portion of clients who have unfortunately received the disparaging label of "underclass."

The primary characteristic that accounts for this group with longer than average lengths of stay on AFDC is a first illegitimate birth while a teenager. If a second birth follows during the teen years the length of welfare dependency greatly increases. This is a group then that requires special attention and intervention.

The problems of teen pregnancy are not simple and affect all classes in society. The simplistic solution of cutting off welfare benefits will not solve the problem but will consign a new generation of children to absolute destitution.



2B Saturday, February 15, 1986 St. Louis P.D.

Coping With Teen Pregnancy

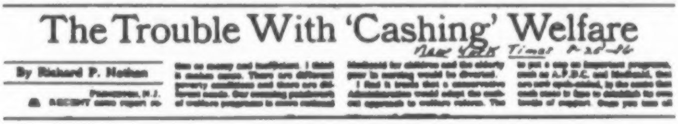
A sobering report by a congressional committee says the nation has failed to

to school or work. A series of teen leadership conferences is planned to advise teen-

A more positive solution is a prevention stategy that stresses options, values, and hope. This cannot be legislated by government, and it is where churches and the voluntary sector, such as Lutheran Family and Children's Services (LFCS) has a vital role to play. Values and morals can't be mandated, but they can be taught and modeled. A creative approach we have been involved in with Southwide Welfare Rights Organization is having AFDC mothers educate their daughters and sisters about the harsh realities of young motherhood and a life on welfare. Young boys are also addressed by a professional football player who grew up in the housing projects of St. Louis about the problems of paternity and child support that he faces because of irresponsible sexual activity. Children also see and talk with successful role models, and so capture a vision of a different life for themselves.

These programs are exciting and effective. But they are few and far between. The reason? The private, voluntary sector is devoting less and less time and energy to values and life enhancement because we are incredibly overtaxed in the area of meeting survival needs. Since 1981 demand for emergency food has increased 400%. Women and children now comprise over half of the homeless population of St. Louis. At LFCS we are only able to serve 45% of emergency requests because of lack of resources — and the needs go on and on.

In 1981 when the challenge of New Federalism was issued and states supposedly were to pick up more of the human services programs, Missouri responded with cuts of its own. We lost AFDC-UP; Medicaid was greatly curtailed and caseworkers were cut 25% at a time when the recession was creating more casualties and the feds were creating more of a bureaucracy.



The Trouble With 'Cashing' Welfare

New York Times 2-26-86

By Richard P. Nathan

Princeton, N.J.

Is it any wonder that the concept of a Mega-block grant to the states to cash-out welfare scares us in Missouri?

Our current benefit levels are based on a standard of need that has not been revised in 10 years. Our maximum grant level reaches only 36% of the Federal Poverty Line. Cashing-out will only benefit the poor in our state if the levels are federally set and sensitive to inflation. Furthermore, cashing-out Medicaid will only penalize sick children, and the elderly and create many more medically indigent.

States do need more flexibility in the design and implementation of delivery systems that will work in their locale. Burdensome bureaucracy, state sanctions and red tape hurt everyone. However basic eligibility requirements, benefit levels and broad policy objectives need to come from the Federal government along with the dollars to carry them out.

WOMEN ON WELFARE: AN ALTERNATIVE APPROACH FOR SUPPORT

by

Joanne Curtis, Social Worker
South Side Day Nursery

Low self-esteem and lack of positive reinforcement paralyzes welfare mothers

Sexual, racial and ethnic barriers to employment operate overtly and covertly

Poverty is perpetuated by training the poor for the secondary labor market

Economic rationality keeps clients on welfare when work penalizes AFDC benefits and doesn't cover child care and work-related expenses

Loss of Medicaid is major disincentive to work

Universal health insurance is one answer to devastating medical expenses

Universal children's allowance would take away the stigma of AFDC

Community service and homemaking are "good" and could be rewarded monetarily

Grants to start small businesses would build on existing skills of clients

While it may be comforting for us to think that anyone who wants to work can find a job that will pay at least a subsistence-level income, that view fails to recognize the complexity and harshness of the reality for women on welfare. Contrary to the popular notion that the women choose not to work because they are not work-oriented, their seeming lack of motivation stems from structural obstacles beyond their control which impede their entry or re-entry into the traditional labor force. Further discouraging welfare mothers from working outside the home are the disincentives for working within the AFDC program.

This paper suggests an alternative program to encourage welfare mothers to work using supportive measures that would assist them by removing obstacles and disincentives to joining the labor force. This program is not put forth as the ultimate solution. Rather, it is offered with the hope that consideration of its dimensions may generate creative discussion toward replacing the present AFDC policy with a more workable and humane policy that will help welfare mothers support their families.

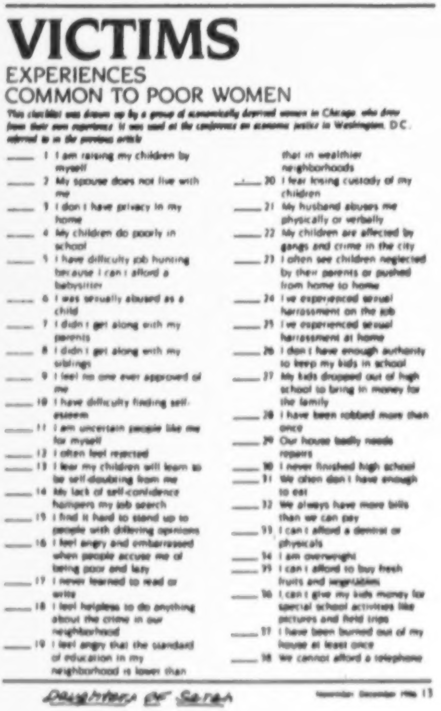
STRUCTURAL OBSTACLES TO EMPLOYMENT OF WOMEN ON WELFARE[1]

Cultural expectations constitute a major deterrent for women to do well in the world of work. These expectations include early marriage and childbearing, low expectations for education and employment, and low expectations for the quality of life. As defined by the dominant society, deficiencies in psychological and social skills, including cognitive, language, and interpersonal skills, render the welfare mother less able to compete in the job market. The psychological burden of the low self-esteem apparent in so many of these women can paralyze them and keep them from making the effort to break out of the welfare trap. A lifetime of lacking positive reinforcements in the job market often results in a lack of assurance and an inability to be assertive in a competitive environment. Welfare mothers absorb the dominant society's victim-blaming which reinforces their low self-esteem and in fact may serve as a self-fulfilling prophecy for failure.

Sexual, racial, and ethnic barriers to full participation in employment occur not only through outright overt discrimination, but more subtly through institutionalized sexism, racism, and classism based on associated attributes, such as low skill levels, low self-esteem, passivity,

[1] This discussion is based largely on the reference by Villanueva and Caston.

docility and dependence, among others. The socialization process instills these attributes in women and minorities and places them in a double-bind. If they exhibit these characteristics, they are considered incapable and incompetent; if they do not show those qualities, they are considered aggressive, angry, "uppity", and not a team player. Consequently, women and minorities are penalized for acting the way they are expected to act by being discriminated against in employment and education and consequently are relegated to the secondary labor market. Not surprisingly, women are considerably less able than men to provide for their families. Women heads-of-household face almost three times greater risk (36 percent versus 12.3 percent) of being poor than do male-headed families. Minority families headed by women face an even greater risk: households headed by black women experience poverty at the astounding rate of 53.8 percent; Hispanic, 53.5 percent; white, 28.3 percent (Sarri, 1984). Similarly, Jones (1981) reports that in 1979, the median family income for a single working mother was only $9,600 per year compared to $14,400 for a male-headed single-parent family.



VICTIMS

EXPERIENCES
COMMON TO POOR WOMEN

This checklist was drawn up by a group of economically deprived women in Chicago who drew from their own experiences. It was used at the conference on economic justice in Washington, D.C. referred to in the previous article

____ 1 I am raising my children by myself
____ 2 My spouse does not live with me
____ 3 I don't have privacy in my home
____ 4 My children do poorly in school
____ 5 I have difficulty job hunting because I can't afford a babysitter
____ 6 I was sexually abused as a child
____ 7 I didn't get along with my parents
____ 8 I didn't get along with my siblings
____ 9 I feel no one ever approved of me
____ 10 I have difficulty finding self-esteem
____ 11 I am uncertain people like me for myself
____ 12 I often feel rejected
____ 13 I fear my children will learn to be self-doubting from me
____ 14 My lack of self-confidence hampers my job search
____ 15 I find it hard to stand up to people with differing opinions
____ 16 I feel angry and embarrassed when people accuse me of being poor and lazy
____ 17 I never learned to read or write
____ 18 I feel helpless to do anything about the crime in our neighborhood
____ 19 I feel angry that the standard of education in my neighborhood is lower than that in wealthier neighborhoods
____ 20 I fear losing custody of my children
____ 21 My husband abuses me physically or verbally
____ 22 My children are affected by gangs and crime in the city
____ 23 I often see children neglected by their parents or pushed from home to home
____ 24 I've experienced sexual harrassment on the job
____ 25 I've experienced sexual harrassment at home
____ 26 I don't have enough authority to keep my kids in school
____ 27 My kids dropped out of high school to bring in money for the family
____ 28 I have been robbed more than once
____ 29 Our house badly needs repairs
____ 30 I never finished high school
____ 31 We often don't have enough to eat
____ 32 We always have more bills than we can pay
____ 33 I can't afford a dentist or physicals
____ 34 I am overweight
____ 35 I can't afford to buy fresh fruits and vegetables
____ 36 I can't give my kids money for special school activities like pictures and field trips
____ 37 I have been burned out of my house at least once
____ 38 We cannot afford a telephone

Daughters of Sarah

November December 1986 13

Because education has often been cited as a means of breaking out of poverty by removing the barriers to the primary job market, attempts were made in the 1960's to include the disadvantaged in educational programs that would enhance their opportunities. These barriers, however, have been very difficult to overcome since elite educational institutions which provide the key to the doors of higher paying careers, are much less accessible to the poor. Usually, if not more important, the quality of primary and secondary schools available to the poor often sets them up for failure, since they may go through all the motions of receiving an education, but graduate with an inferior education that is not adequate preparation for higher education or employment in the primary labor market. For women, the issue is further complicated by the expectation that they have children, a circumstance that renders education secondary.

The nuclear family in modern Western culture places the woman in a disadvantageous position since she ultimately must assume the responsibility for child-care and upkeep of the home. For women who also must act as the head-of-household, the responsibility is awesome. Her energy is sapped by problems inherent among the poor and in one-parent families: meeting basic subsistence needs for her family and herself and/having to care for her children alone. Handler and Hollingsworth (cited in Villanueva & Caston) point out that only 5 to 15 percent of the AFDC mothers

Chronically Unemployed Lack Basic Education

Yet Many Can't Afford To Go Back To School who find full-time employment would earn enough money to exceed the poverty line. Thus, they have a difficult time improving their household's economic position.

Penetration of the economic structure which restricts access to the goods of society to the middle and upper classes is difficult for the poor, particularly women and minorities. Even if one disregards blatant discrimination, the power of the "good old boy" network must not be underestimated. Closely aligned to the "good old boy" concept is the notion that people are more comfortable hiring those most like themselves, a factor that assists in keeping disadvantaged women and minorities out of the primary labor market and in the secondary labor market for which there is a surplus of workers and therefore low wages. Hasenfeld (1975) asserts that manpower programs have not served to raise the economic prospects of the poor but instead have perpetuated their poverty by "training" them for jobs in the secondary labor market to supply low-wage labor to industry.

Perpetuating the limited access of the poor to ascend the opportunity structure is the evolving economy in which there is a reduction of employment opportunities in the blue-collar occupations of the smoke-stack and industrial segments of the economy, and in which jobs are increasingly either unskilled service-sector jobs or highly-skilled technical jobs. As blue-collar occupations are eliminated, competition for jobs in the service sector are becoming increasingly competitive, and the only benefit is the hourly wage — often depressed to the minimum wage — as businesses hire workers on a part-time basis to avoid providing fringe benefits. Essentially only two options avail themselves to workers: high tech jobs requiring increasing levels of skills, training, and education or service sector jobs requiring minimal skills. The Service sector jobs, however, offer little or no potential for enhancing one's life: they are dead-end jobs with little opportunity for upward mobility and in which management can easily replace workers. Women with children — those who might miss work because of a sick child or be late because of a bus behind schedule, tired as they go to a job without a future, will not be good candidates for even those jobs. They will be beaten out by the middle-class and upper middle-class teenagers earning "spending" money; who have little other responsibility; who are bouncy, enthusiastic, cheerful, hopeful, friendly, and who own their own cars or have parents who chauffeur them to their service-sector jobs as they continue with their education. The implication of this trend for the poor is clear: they will become even more hopeless as they realize that the opportunity for upward mobility is diminishing.

AFDC AND WORK

Employment presents serious problems for welfare mothers. Finding jobs is problematical for them, not only because of the less than lucrative job market available to them, but also because they often lack confidence in their ability to find and keep a job. This problem is not surprising when one considers the contempt displayed by society toward this group of women. Even if they are able to find employment, there is usually a disincentive to work, since their earnings may result in reduced or lost AFDC benefits. They further risk the chance of losing Medicaid, considered by many the most valuable part of the program. There is an incentive to remain on welfare when recipients are in essence penalized for working. They are encouraged to be secure rather than taking risks and being adventuresome, because the consequences of taking risks can be too severe. Specifically, upon being dropped from AFDC, they face a time lag between benefits and being placed back on the AFDC rolls. Consequently, temporary jobs are not inviting.

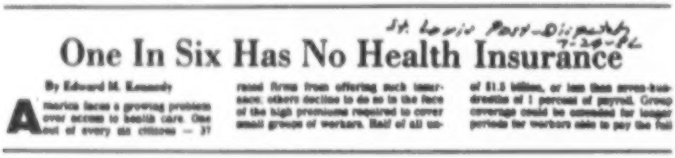
The choice of whether or not to work is based on maximization of resources and is determined by economic rationality, the comparison of benefits of working with those of not working (Chrissinger, 1980). Often, earnings are not high enough to make up for the loss of in-kind services. For women, the expenses of working away from home — child care, clothing, transportation, eating out, etc. — coupled with low-paying jobs often renders working more costly than staying home. The welfare mother's participation in the employment market is not determined by the so-called "culture of poverty" but by economic rationality based on receiving the most money for her family, and this economic rationality keeps many such women entrapped in poverty and welfare.

AN ALTERNATIVE APPROACH

Providing more humane programs for those in society unable to succeed in the traditional work world demands a multi-faceted approach. Clearly the work incentives of the present AFDC system have not worked largely because they rest on two false assumptions: (1) there are plenty of jobs available to those who want to work and (2) through hard work, one can become economically self-sufficient.

Policy needs to be modified to reflect the realities that (1) not enough jobs are available and/or they are often inaccessible to those who need them the most because they lack the required skills or transportation to the job and (2) low-paying jobs generally do not provide upward mobility but trap people into lives of poverty. To deal with these realities, a program dealing with them on several fronts needs to implemented.

This author proposes a policy that would **eliminate the present AFDC program** and replace it with one possessing the following dimensions: (1) the provision of universal health insurance, (2) the provision of a universal children's allowance, (3) the broadening of the definition of work to include services done for the social good, and (4) the institution of a program to assist AFDC users start their own businesses.



St. Louis Post-Dispatch 7-20-86

One In Six Has No Health Insurance

By Edward M. Kennedy

The provision of universal health insurance is an important dimension of welfare reform, since one of the greatest disincentives for an AFDC mother to accept employment is the loss of Medicaid for both herself and her children. Women on AFDC generally can not find jobs that compensate them adequately for the loss of Medicaid. Medical expenses for minor illnesses, or simply for routine preventive care, are formidable for even middle-class Americans and can be devastating for the poor. The soaring cost of medical care may make universal health insurance not too far-fetched as the middle-class becomes increasingly squeezed by extremely high medical insurance premiums with more deductible and less coverage. The disenchantment over the sad state of insurance and soaring medical costs and their impact on the middle class may provide an impetus for universal health insurance.

The second dimension of this proposal also provides a universal program, in this case a children's allowance in the form suggested by Ozawa (1982). The universal component of the program would remove both the stigma of AFDC and would ensure that children's welfare becomes disentangled from a work incentive. Ozawa suggests that based on a 1979 level, every family, regardless of income, would receive $100 per month for each child under 18. This allowance would be taxable as income and eliminate the personal exemption for children on income taxes. Financed by a federal progressive income tax, it would provide an equitable and effective program "in achieving vertical redistribution of income from well-off to less well-off families".

The Children's Chronicle October 1985

Another possible source of funding might come from a deviation of Turem's recommendation (1982) of a federal child support trust fund. Turem's plan calls for supplementing the financing of the AFDC program through court-ordered child support payments from fathers who would pay into this fund based on their income and number of children. With the elimination of AFDC, the funds raised through this mechanism would be available for financing the children's allowance.

To counter the inevitable arguments that a children's allowance would encourage women to have children and increase the rate of illegitimacy, Ozawa reports the experiences of other countries where children's allowances have been in effect. In these countries, the birthrate has either been unaffected or has had an inverse relationship to children's allowances, **i.e., the higher the allowance, the lower the birthrate.** As for illegitimacy, the experiences of other countries report that there is no relationship between children's allowance and illegitimacy. The institution of a children's allowance in this country offers a piece of a program to give mothers the opportunity to participate in the work world without a loss of benefits.

The third provision under this program directly addresses the issue of work by providing rewards and incentives for self-help. Rewards would offer a broader view of what the society views as work. Turem argues that welfare mothers who are "active in the community, raise their children well, or participate in beneficial nonwork activities" should be rewarded, and this can results in an "intergenerational emancipation from poverty." He further contends that for those whose reward system is controlled by the government, the system needs to be restructured to reward hard work, initiative, and socially acceptable behavior.

Self-help and community service work that traditionally have been voluntary would be rewarded through incentive bonuses. The performance of tangible services — such as forming home-finding clubs, visiting the homebound or elderly, providing escort or transportation services, forming babysitting pools or food-buying cooperatives, being active in the PTA — would not only provide work for AFDC recipients, it would also provide services urgently needed by their communities and could act as an impetus for the exodus from poverty and powerlessness by a group of people. While Turem de-emphasizes child-care cooperatives, this author sees that as one of the most important aspects of this component of the program, since

Baby Sitting

Adrienne Rosen

child-care is such a crucial issue in the employment of mothers outside the home. AFDC mothers would be working in the communities they know, with the people they know, and as leaders in their own communities. This experience offers potential for those women to make some concrete positive changes in the structure of their community. The success experienced by them could translate into an improved self-image as well as tangible working skills and experience that would certainly assist them in becoming employed outside the community in the society-at-large, and they would provide for their children a model of being successful and respected. Meanwhile, they are provided monetary incentives to restructure the social and economic components of the community that presently perpetuate the cycle of powerlessness and poverty.

As a further incentive to self-help, the institution of a program to assist AFDC users start their own businesses is proposed. Such a program addresses the problem of the chronically unemployed because it enables them to create their own businesses in which they can use the skills they do have. In the changing economy, there is still a need for services to which those who are unemployed could cater through their own businesses.

Britain's Enterprise Allowance Scheme (**St. Louis Post-Dispatch**, 17 Oct 84) offers a model. The Scheme allows workers to receive the amount of average unemployment compensation benefits for one year while beginning a business. Those receiving that benefit in Britain are required to obtain 1000 pounds to invest and to commit at least 36 hours a week to work at starting their business. In Britain, the recipients are left much to their own devices, as no significant technical assistance is provided. In 1983, 25,000 people opted for this plan, and the success rate has been quite remarkable. More than 90 percent of the businesses have survived at least one year, and each has created an average of 1.5 jobs. The government estimates that within two years the program costs will be more than paid back through tax revenues. Translating this program to the United States, it could be modified and used to encourage AFDC recipients to start small businesses in labor-intensive industries, such as sewing shops, restaurants, child-care services, repair shops, recycling centers. Technical assistance could be offered by retired businesspersons in conjunction with the Small Business Administration or others trained in the economic development of communities. Great potential exists in this type of small business, as it enables people to do business within their own community without having to learn alien, high technology skills. It also provides services within the community for the community. This dimension offers people the opportunity to experience success within their own community and prepares them to mainstream into the larger society if they wish to do so.

For the sake of the whole society, it is time we institute a program that deals with the reality of welfare mothers and make the system more amenable to bringing them out of poverty and sharing in a portion of the immense wealth of this nation. It is said that the way a society treats its weaker members is indicative of the kind of society it is. Welfare mothers — the epitome of the disenfranchised — are treated harshly in this society. It is time that we stop treating those with less power as having less worth. We can make a formidable beginning through a program that offers these women an opportunity to work and receive adequate compensation for their efforts and allow them the opportunity to gain control over their own lives by tapping the vast potentials they possess and by nurturing their growth. We will all be the better for the investment in our society's future.

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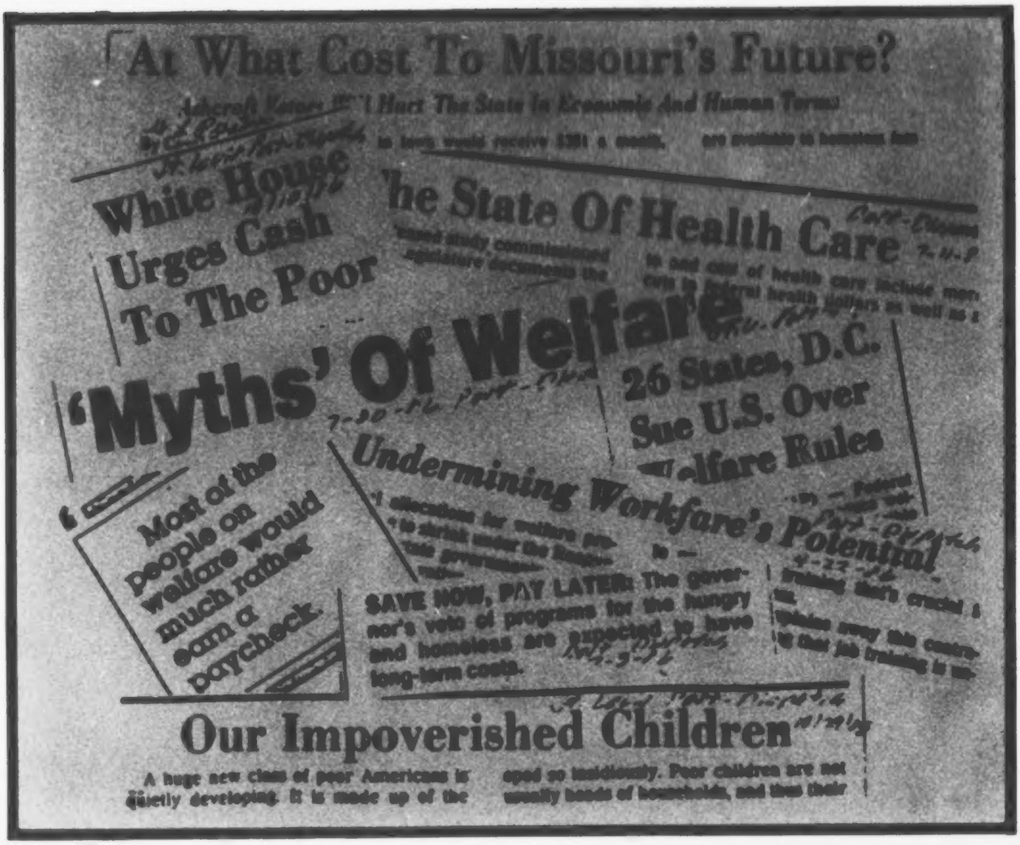

At What Cost To Missouri's Future?

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The State Of Health Care

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The Missouri Association for Social Welfare is a citizens' association concerned about social conditions in Missouri. It is a coalition of groups and individuals throughout the state. It has been working for social justice in Missouri for 86 years. It is entirely privately funded. **Shouldn't you be a member?**

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